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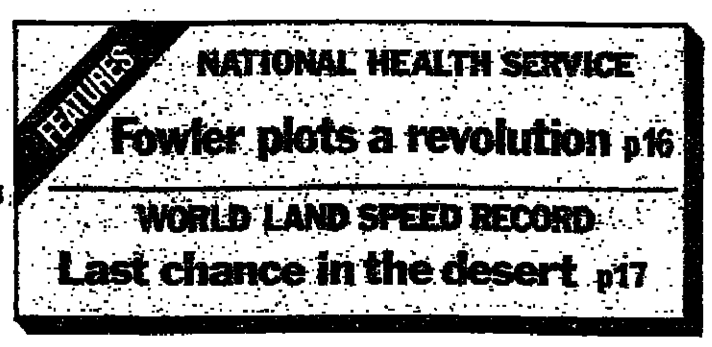
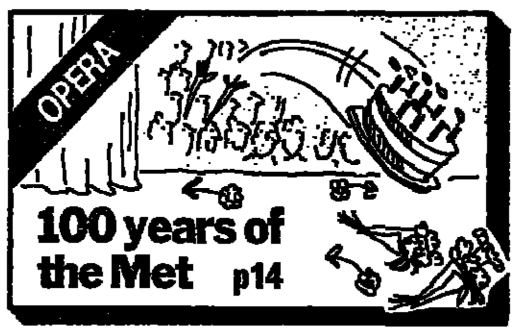
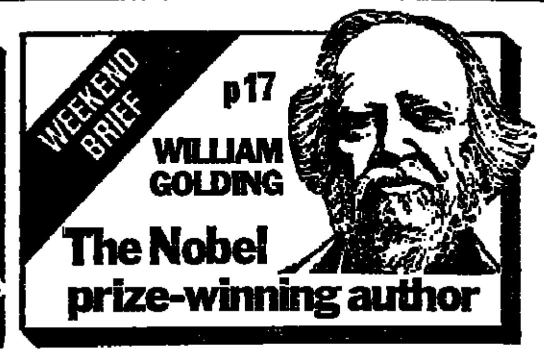






NEWS SUMMARY

GENERAL

'Moscow to send SS 21s to Syria'

The Soviet Union is preparing to deploy the SS 21, one of its latest surface-to-surface mobile missiles, in Syria, the U.S. said.

With a range of about 75 miles, it could reach targets in Lebanon and north and central Israel, as well as the U.S. Sixth Fleet in the Mediterranean.

It can carry conventional or nuclear warheads, but the U.S. did not suggest that nuclear weapons were to be introduced to the Middle East. Page 2

Hong Kong hopes

Chinese Foreign Minister Wu Xuequian, apparently trying to calm fears over Hong Kong, said Chinese living there would administer it after China takes it over in 1997. Page 2

Troops in Punjab

Thousands of paramilitary reinforcements were deployed in Punjab, India, after the state government was dismissed and direct rule from New Delhi imposed. Page 2

Oil spill fine

The British captain of the tanker Act One was fined 15m drachmas (£114,000) for a 66-ton oil spill in the Saronic Gulf near Athens.

Governor held

Gen Mario Menendez, Falklands governor during the Argentine occupation, was put under 60 days' arrest for giving unauthorised interviews on his experiences. Page 2

Capital continues

Capital Radio of London won a further eight-year contract from the Independent Broadcasting Authority. Page 3

Fatal air crash

All four people aboard died when a light aircraft crashed in mountains in west Wales on a flight to Dublin.

Early warning

Queensland University researchers hope to market within two years a test which can detect pregnancy 24 hours after fertilisation.

TV sport hit

BBC-TV sports coverage this weekend is likely to be disrupted by staff action over allowances.

Footnotes

The three oldest known banknotes in the world—Ming Chinese notes, each a foot long, issued between 1368 and 1399—sold at a London auction for £670.

Briefly . . .

Clara Blunt of Willingham, Cambs, turned 106.

Flood deaths in southeast India rose to 48.

Earthquake, 5.2 on the Richter scale, hit the northeast U.S.

Record 119 countries entered for the 1986 World Cup.

Breakfast TV audience: BBC, 1.4m; TV-am, 900,000.

BUSINESS

Holmes à Court has 5% of Fleet

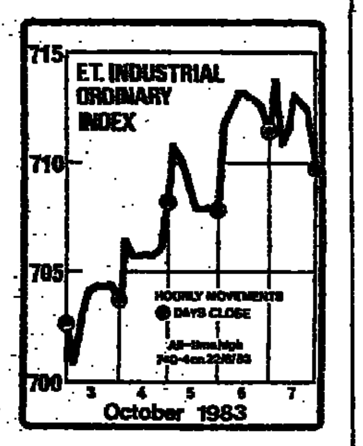
● **AUSTRALIAN** entrepreneur, Mr Robert Holmes à Court, revealed that his business interests hold more than 5 per cent of the shares of Fleet Holdings, owner of the Daily and Sunday Express and Daily Star newspapers. Back Page

● **STERLING** rose 1.8c to close in London at $1.5105. It was firmer at DM 3.87 (DM 3.85), SwFr 3.15 (SwFr 3.1275), FFr 11.8725 (FFr 11.8175) and Y348 (Y347). Its trade-weighted index was 83.3 (82.8). Page 21

● **DOLLAR** slipped to close in London at DM 2.5645 (DM 2.5785), SwFr 2.085 (SwFr 2.0935), FFr 7.867 (FFr 7.921) and Y230.65 (Y232.25). Its trade-weighted index fell to 125.1 (125.7), its lowest level for three months. Page 21

● **GOLD** rose $4.5 an ounce to $399.875 in London. In New York the Comex October settlement was $400.3 ($395.3). Page 21

● **EQUITIES** generally floundered but a fall of about 4 points in the FT's Industrial Ordinary Index was averted by renewed strength in London Brick, which



attracted hefty business and showed a share price gain of 7.5p following an FT report of a possible bid battle. The index ended the day 1.6 off, but still 7.2 higher on the week at 709.8. Page 24

● **GILTS** were still bolstered by Monday's ½ point reductions in clearing bank base rates. Closing improvements in the longs ranged to ⅞. Page 24

● **WALL STREET** was 3.96 up at 1272.76 near the close. Page 20

● **MINERS** seem likely to accept the National Coal Board's 5.2 per cent pay offer, which will be discussed at miners' union branch meetings this weekend. Back Page

● **DAVID DIMBLEBY**, the broadcaster, has closed his strike-hit newspapers' printing works in south-west London with the loss of 29 jobs.

● **EASTERN AIR LINES**, the loss making U.S. airline, has dropped threats of bankruptcy following the agreement of three of the airline's unions to an analysis of the company's financial position. Page 23

● **DEBENHAMS** improved pre-tax profits to £5.17m (£1.54m) for the first half of this year. Back Page and Lex; Results, Page 18

Jenkin unveils plans to axe big councils

BY ROBIN PAULEY

ALL the major functions of the Greater London Council and the six English metropolitan councils—which are to be abolished—will pass to joint local authority boards in April 1986. The Government will control the budgets of the new boards for at least three years.

Mr Patrick Jenkin, Environment Secretary, announced this yesterday in a White Paper, Streamlining the Cities. He also announced that central government controls will apply to the new boards' staffing and recruitment levels. This is an attempt to stop the sort of costs and staff explosion which followed the 1974 local government reorganisation when the metropolitan counties were created by Mr Peter Walker.

The existing councils will cease to function in May 1985 when their present councillors' terms of office expire. Between then and April 1986 "shadow" joint boards will be appointed as caretakers, with members nominated by the district councils, even though the legislation empowering the boards to operate may still not have completed its passage through Parliament by then.

The joint boards will consist of one or two councillors nominated by each district authority within the current county areas to run services such as police and fire. Some items such as strategic planning in London and staff reorganisation will be run by statutory bodies with members nominated by the Government.

The proposals drew immediate criticism from both Labour and Conservative local politicians.

In addition, Government managers are increasingly concerned that the plans might founder in the House of Lords. This is partly because of the increased central control and partly because of the idea of having services run for nearly a year by "caretaker" bodies which would not be democratically elected. In addition there is concern that they would be operating before the enabling legislation had finished its Parliamentary passage.

Lord Whitelaw, leader of the Lords, is seriously concerned about the chances of both these proposals and the separate plans to limit rate rises surviving their passage through the Lords. Mr Jenkin admits that the rates limit proposals could face substantial parliamentary resistance, particularly in the Lords.

Mr Jenkin said he wanted

Continued on Back Page
Details Page 4

MAIN POINTS OF WHITE PAPER

● Abolition of the Greater London Council, Greater Manchester, Merseyside, South Yorkshire, Tyne and Wear, West Midlands and West Yorkshire councils in May 1985.

● Joint local authority boards, not directly elected, to cover police, fire and public transport, including airports.

● Joint boards and statutory bodies to take over on April 1 1986.

● "Shadow" bodies to rule in the interregnum.

● Central government control of budgets and rate precepts for at least three years.

● Central government control of staff numbers.

● Inner London Education Authority to remain for the time being.

● Staff commission to deal with transfer of jobs and redundancies.

● New body to administer GLC debt and superannuation fund.

● New body to advise Government on strategic planning for London.

● London boroughs and metropolitan districts to take over highways and traffic management, waste regulation and disposal, residual GLC housing function, trading standards, support for the arts and sport.

Brazil wins improved deal on £8bn loan package

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

BRAZIL is to obtain a significant improvement in terms from its international bank creditors for the $12bn (£8bn) it is seeking in new loans and rescheduling of debt maturing next year.

For the first time in any Latin American refinancing the banks have agreed to a longer maturity—nine years instead of the standard eight-year repayment period for Brazil—as well as a reduction in loan interest margins charged to the borrower.

The concesison is all the more significant because it flies in the face of established U.S. bank regulatory practice. U.S. bank supervisers normally require a bank which reschedules a loan on more favourable terms than those originally contracted to classify the deal specially in their balance sheets, but it is understood that they have quietly agreed to drop this principle in the Brazilian case.

Bankers have been under pressure from Latin American borrowers to reduce their loan margins for some time. The debtor countries regard the high margins charged on rescheduling as extortionate at a time when they are struggling to meet interest payments on their debts. But the concession also reflects a growing awareness on the part of the banks themselves that the debt crisis will last, requiring them to make some sacrifices in terms of profitability and cash-flow.

The terms of the package were spelled out at meeting late on Thursday in Washington between officials of about 40 leading creditor banks and Sr Ernane Galveas, Brazil's Finance Minister. He was accompanied by Sr Affonso Pastore, the country's new central bank governor.

Brazil will pay a margin of two percentage points over London Eurodollar rates or 1¾ points over U.S. prime rate for the package, which includes a fresh loan of $6.5bn and a rescheduling of $5.5bn in debt falling due next year. These margins are ¼ of a percentage point lower than Brazil was paying previously, which represents only a small saving of cash but an important concession of principle by the creditor banks.

The negotiation fee for the rescheduling is being reduced from 1½ per cent to 1 per cent and, in a further departure from normal practice, creditor banks are considering accepting payment on an instalment basis. Normally a borrower is required to pay a rescheduling fee all at once when the refinancing is signed.

Mr William Rhodes, the Citibank senior vice-president who has coordinated the talks with Brazil, and Sr Pastore left yesterday on a round-the-world trip to explain the deal to all 800 creditor banks. They started in Toronto and are expected to visit London in 10 days.

Brazil will have to start repaying the money after five years instead of the 2½ year grace period normally accepted on its borrowings. This will give the country a particularly useful breathing space and avoid a bunching of debt maturities.

Body scan pioneer comes to market

BY RAY MAUGHAN

OXFORD INSTRUMENTS, one of the pioneers in the physics of high magnetic fields and its application in medical body scanning, is coming to the stock market with a price tag of £102m.

The group's most important activity is manufacturing magnet systems for Nuclear Magnetic Resonance (NMR) whole body scanners, the diagnostic imaging process which, the company says, is poised to overtake traditional x-ray machinery.

Robert Fleming, a merchant banker to the group, will be offering by tender 8.13m shares on Thursday at a minimum price of 230p per share.

Some 18 per cent of the company will be on offer. This will comprise 4.8m new shares while 3.33m shares will be sold by existing shareholders, notably Investors in Industry (formerly Finance for Industry), which has backed the company for many years, and BOC Group, the industrial gases supplier. BOC provides the high specification wire used in Oxford Instruments' magnets.

The 11 principal customers for Oxford's magnets include Diasonics, a U.S. medical group, General Electric of the U.S., Hitachi Corporation and Toshiba Corporation. These buyers are each thought to take between 5 and 10 per cent of the group's magnet output.

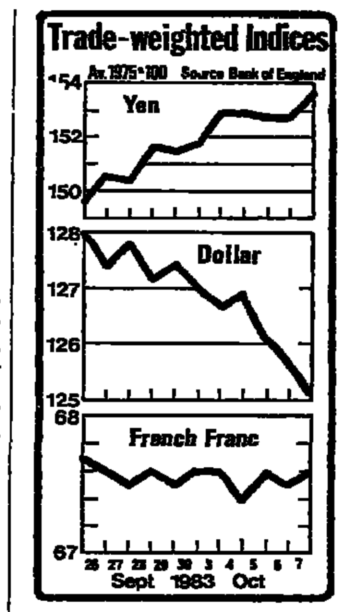
The NMR scanning equipment side of the business accounts for a little over half the group's overall profit which increased last year from £1.69m to £3.44m and is forecast to rise to £5.75m in the 12 months ending next March.

There are few, if any, direct competitors with which to compare the offer but, at the minimum price, the forecast dividend of 1.4p per share will yield 0.6 per cent and earnings ratio on the estimated tax charge will be almost 24.

Cash raised by the Oxford issue will be used to cut borrowings to about 30 per cent of net assets, to finance working capital requirements and to pay for the new NMR magnet factory which Oxford Instruments is building at Eynsham, five miles from its Oxford base.

Brokers to the issue are Henderson Crosthwaite, and L. Messel. Application lists open on Thursday, October 13 and dealings start the following Wednesday.

Lex, Back Page



Dollar continues to fall

By Max Wilkinson

THE DOLLAR continued its fall on European foreign exchange markets yesterday, closing in London 1.4 pfennigs down at DM 2.5645. This was 2 per cent below the rate a week earlier and nearly 5 per cent below the rate at the beginning of September.

Sterling, by contrast, gained further ground, closing in London at $1.5105, up 1.8 cents on the day.

Dealers said the dollar's fall against most major currencies resulted from fairly steady selling by non-U.S. banks, which appear to have been changing the balance of their currency holdings.

Anxieties about the Brazilian debt rescue operation are said to have started some of the selling at the beginning of the week, and this is believed to have re-focussed attention on the widening U.S. trade deficit and Japan's increasing surplus.

However, there is still some scepticism in the markets about whether this week's fall could be the start of a long-predicted decline in the dollar.

The dollar reached a 10-year peak of DM 2.7315 on August 11, while its lowest value this year was DM 2.3320 in January.

The dollar's value against the Japanese yen at the London close yesterday was Y230.65,

Continued on Back Page
Money Markets Page 21

Stolen secrets case settled out of court by IBM and Hitachi

BY LOUISE KEHOE IN SAN FRANCISCO

IBM, the U.S. computer manufacturer, and Hitachi of Japan, have agreed an out-of-court settlement of the civil suit which arose when Hitachi employees were caught stealing confidential IBM documents by an FBI undercover operation in California last year.

The settlement terms are highly favourable to IBM and include the payment of a significant sum by Hitachi. The settlement is a major victory in the U.S. computer giant's efforts to protect trade secrets.

The agreement says Hitachi will not use the stolen computer secrets, that IBM documents held by Hitachi will be returned and that the names, adresses and business affiliations of all who offered to sell IBM secrets to Hitachi will be disclosed.

Charges

Hitachi and three of its employees pleaded guilty last February to criminal charges that they transported stolen IBM secrets to Japan. Evidence by the FBI included transcripts of meetings between Hitachi executives and undercover agents playing the part of consultants at which the Hitachi employees agreed to pay more than $600,000 (£400,000) for confidential IBM documents.

IBM's civil suit against Hitachi alleged conspiracy, unfair competition, copyright infringement and racketeering. On Thursday lawyers for the two companies appeared in a San Francisco court to report the settlement.

This will give IBM the right to inspect all Hitachi's new products for five years to ensure that the Japanese company does not use IBM secrets. Within the industry it is believed that the restrictive settlement will affect Hitachi's ability to compete in the mainframe computer market.

Hitachi will pay all IBM's legal and other costs, estimated at several million dollars.

According to IBM's chief lawyer in the case, Mr Thomas D. Barr, more than 30 lawyers who have been working on the case were not responsible for the settlement. He told Judge Spencer Williams it was structured by executives of the companies.

IBM and Hitachi will refer trade secret disputes between the companies to a panel of arbitrators. Judge Williams praised the settlement as far-sighted and said it could set an international standard for the high technology industry.

Significant

The settlement "will have international significance broader than the mere settlement of this dispute," he said. "It will reduce tensions between the two giant companies . . . and will serve to reduce tension between the countries."

IBM said the settlement terms prohibited disclosure of the specific amount Hitachi will pay IBM. In Tokyo, Hitachi called the agreement an important step towards restoring the excellent relations that had traditionally existed between Hitachi and IBM.

The agreement does not affect other defendants in the IBM suit, including National Semiconductor and its subsidiary, National Advance Systems. IBM broadened the terms of its suit against NAS to name certain executives of that company.

Criminal charges against another Japanese company, Mitsubishi Electric, also charged with theft of IBM secrets, will reach court in San Francisco later this month.

£ in New York

	Oct. 6	Previous
Spot	$1.4995-5005	$1.4840-4850
1 month	0.02-0.03 pm	0.02-0.04pm
3 months	0.05-0.07 pm	0.05-0.09pm
12 months	0.36-0.41 pm	0.35-0.45pm

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Atlantic Cmptr New	280	+ 23
BL	65	+ 5
Belgrave (B'heath)	81	+ 11
Common Bros	100	+ 10
Cook (Wm) (Shld)	33	+ 3½
Courtney Pope	98	+ 6
Hawley	160	+ 8
Highgate Optical	140	+ 8
Hollis Bros ESA	35	+ 5
ICI	560	+ 10
London Brick	102	+ 8
Microlease	190	+ 15
Pilkington Bros	235	+ 5
Prestige	188	+ 6
Spear Jackson Intnl	120	+ 4
Stewart Wrightson	260	+ 8
Strong and Fisher	72	+ 5
Swire Pacific A	99	+ 9
Hamilton Oil GB	168	+ 8
Libanon Gold	£23¼	+ 1½
President Steyn	£32½	+ 1½
St Helena Gold	£24¼	+ 1½
Vaal Reefs Expln	£74½	+ 1½

FALLS		
Bowater	303	− 5
Cable and Wireless	285	− 8
Campari Intnl	41	− 11
Cape Inds	120	− 5
Cullen's Stores A	195	− 20
Debenhams	138	− 6
Eucalyptus Pulp Ms	195	− 40
Johnson Matthey	232	− 8
Johnston Group	250	− 25
Mercantile House	357	− 17
Plessey	208	− 14
Stnd Tel & Cables	274	− 12
Sunlight Service	215	− 10
Turriff Crpn	315	− 22
UKO Intnl.	76	− 5
Woolworth	267	− 9
Sun Oil (UK) Rylty	310	− 20

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Britain 'interested' in talks on Belize

By David Buchan

BRITAIN is "interested" in renewed talks between Belize and Guatemala facilitating early withdrawal of the 1,600-strong British garrison from Belize, Foreign Office officials said yesterday.

Any new talks over Guatemala's territorial claim to Belize would probalby follow the same format as those held at the United Nations last January, which the UK attended as an observer.

Britain "has set no specific date" for its troop pull-out, officials said, but now wants it understood clearly that Belizean independence (since 1981) cannot remain indefinitely dependent on the UK forces.

Belizean security, and the faint possibility that Guatemala will finally renounce its 150-year-old claim, will be a factor in, but not a precondition to, the timing of a British withdrawal, officials in London stressed.

Concern over the 1,600 troops in Belize is not as immediately acute as that over the fate of the much smaller British contingent in the multinational force in the Lebanon. But there are fears the Belize garrison might get sucked into the conflict in Central America, where Mrs Thatcher's Government believes the call by the Contadora group of central and South American leaders for withdrawal of all foreign advisers is the right policy.

There is the subsidiary motive of easing the new strain caused by the British forces' deployment in the Falklands.

Mrs Thatcher told President Reagan in Washington earlier this month that Britain "wanted out" of Belize, and officials in London are hopeful that the U.S. could use its influence to check any intemperate Guatemalan move against Belize.

GOVERNMENT AIMS TO WIPE OUT PAYMENTS DEFICIT

Manila brings in austerity measures

BY EMILIA TAGAZA IN MANILA

THE PHILIPPINES faces the daunting task of bringing down its overall balances of payments deficit to zero for the last quarter of this year. Prime Minister Cesar Virata, who is also the finance minister, said yesterday that the zero target is necessary because, with a \$1.36bn deficit during the first three-quarters, the country cannot expect additional financing from prive banks.

The Government has imposed additional restrictions on credit, deferred more development projects, and imposed greater import controls. All these austerity measures have been introduced to achieve the somewhat unrealistic target of zero deficit.

However, Mr Virata, who has just returned from tough negotiations wiht the International Monetary Fund (IMF) in Washington, said that despite the overwhelming deficit and the protracted IMF negotiations, the Philippines will not tread the path of Mexico and Brazil.

He said that unlike Mexico, the country has not, and will not, default on any of its obligations. "We will be able to meet all payments on time," he said.

Reporting on the negotiations with the IMF for a soft-loan financing package, Mr Virata said that the Washington talks were not completed so that an IMF mission would come to Manila next month to conclude the agreement. The prolonged negotiations could be due to a major change in a standby credit facility, proposed by the Philippines.

Mr Virata said that they are trying to put together a 15-month programe for standby credit, instead of the usual 12 months. This means that the undrawn portion of the 1983 total standby facility of SDR 300m (£213m), amounting to SDR 115m (£82m), would be added to the 1984 facility.

He said that SDR 600m are being negotiated for a 15-month period. The net effect of this is an overall increase by at least SDR 100m for the 1984 standby facility.

The Prime Minister added that out of the SDR 600m being negotiated, the IMF has said that half could be made available, but the other SDR 300m would depend on the availability of funds, in view of the severe constraints of IMF's own resources.

Although the IMF negotiations are going to be tough, the Philippines is likely to get the loans. One of the IMF "recommendations" has been implemented—the hefty devalation of the peso (by 21.4 per cent) announced last Wednesday.

Once the standby facility is finalised, there would be relief among foreign lenders which have in recent months withheld fresh loans, if not shortened loan maturities.

However, IMF support is not all that is needed to resuscitate the badly tattered Philippine economy. The political environment has to show some signs of normalisation after the assassination of opposition leader Mr Benigno Aquino.

As it now stands, the continuing anti-Marcos rallies, specially in the country's financial district, still perturb international bankers and foreign investors. The justice for Aquino, Justice For All Movement (Jaja), which has been the moving force behind recent protest actions, has planned a Manila-wide strike and civil disobedience campaign, according to Mr Agapito Aquino, the slain leader's brother and Jaja spokesman.

Nitze rejects delay in missile deployment

BY JOHN WYLES IN THE HAGUE

MR PAUL NITZE, the U.S. chief negotiator in the Geneva disarmament talks on medium-range nuclear missiles, yesterday firmly rejected claims that prospects for an agreement with the Soviet Union would be improved by delaying Nato's deployment of cruise and Pershing missiles.

In a rare public appearance, Mr Nitze told the North Atlantic Assembly meeting here that he would be "vastly surprised" if a delay would help the Geneva negotiation.

Eventual deployment could be made more difficult while the Soviet Union would be encouraged to stick to its refusal to accept the stationing of any medium-range missiles in Western Europe.

"They do not propose to bless any Nato deployment and they think that if they were to bless this under an agreement then this would undermine all the groups that they have been supporting for so long on unilateral disarmament on the Nato side," said Mr Nitze.

The U.S. negotiator was answering questions from assembly members after delivering a sombre assessment of the state of the Geneva negotiations. The "fundamental Soviet position" remained unchanged, he said, and this sought to block any Nato deployment while retaining "a very sizeable force" of Soviet SS 20 medium range missile in Europe and in the eastern USSR.

The Soviet demand to take account of British and French nuclear forces was totally unjustified, said Mr Nitze. "Given the size and diversity of the Soviet nuclear arsenal there is simply no requirement for SS-20 as a counter to British and French nuclear forces."

In the early 1970s British and French forces amounted to "perhaps 9 per cent" of Soviet strategic and intermediate range nuclear warheads. Today they constitue only about 3 per cent of Soviet forces. The Soviets were using the British and French weapons as "a tactical negotiating ploy" to achieve "the unequal outcome" they are seeking from the Geneva talks.

Later a senior western diplomat confirmed the possibility of a Soviet walk-out from the Geneva talks once Nato deployment begins in December. Teh Russians had as good as threatened this, but it would not mean the end of the search for a disarmament agreement, he said.

Moscow would later agree to a resumption of the talks "on a different basis" in which the fact of deployment would have strengthened the U.S.'s negotiating hand.

Mr Paul Nitze: Soviet position unchanged.

Moscow to put SS 21 missiles in Syria

By Reginald Dale, U.S. Editor, in Washington

THE SOVIET Union is preparing to deploy one of its latest surface-to-surface mobile missiles—the SS-21—in Syria, according to Reagan Administration officials.

The new missile, which has not yet been deployed outside the Warsaw Pact area, could reach targets in Lebanon and nothern and central Israel, as well as the American Sixth Fleet in the Mediterranean, they said.

The SS-21, with a range of about 75 miles, would replace older, less accurate Soviet-supplied Syrian surface-to-surface missiles with ranges of 30 to 40 miles, the officials said.

The SS-21 can carry either nuclear or conventional warheads, but there was no suggestion here that the Soviet Union was planning to introduce nuclear weapons into the Middle East.

The deployment of nuclear weapons in the region, even under the control of Soviet forces, would be cause for great concern, the official said.

Nevertheless, the introduction of another advanced conventional weapons system was still likely to increase tension, they said. The move was seen in Washington as an attempt by Moscow to show its strength in the region and its reliability as an ally of Syria—as well as to reinforce Syria's hand in negotiations over Lebanon's future.

Since the beginning of the year, the Soviet Union has deployed new long-range anti-aircraft missiles in Syria and replaced the fighters and tanks that Syria lost in combat with Israel in Lebanon last year.

Tokyo cabinet backs call for more positive world role

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPAN NEEDS to play a more positive political role in the world and to stop behaving like a purely economic power, the Ministry of Foreign Affairs argues in its annual rveiew.

The Diplomatic Blue Book, approved by the Cabinet yesterday, refers to the need to respond to the "growing expectations" of Japan's allies.

Japan should satisfy these mainly by reinforcing its role as what the Ministry calls a "member of the West." However the review also says that Japan's foreign policy is "grounded" in the Asia Pacific region. Japan's relations with Asian countries are better than ever, it argues.

Among Japan's western allies the Blue Book focuses mainly on the U.S., but remarks that relations with Europe have become closer.

Besides stressing the importance of traditional alliances it says that Japan should hold independent views on world issues.

It cites recent visits to Iran and Iraq by Mr Shintarb Abe, the Foreign Minister, as exam the Foreign Minister, as examples of independent diplomacy. To play an independent role Japan needs to strengthen the gathering and analysis of information.

The Ministry describes Japan's relations with the Soviet Union as "regrettably difficult" but says that Japan will continue trying to maintain a dialogue with Moscow. It will work "tenaciously" to resolve the "Northern Territorial Issue" (a reference to Japan's claim to four island groups off the north-east coast of Hokkaido which were occupied by the Soviet Union at the end of World War Two).

In a discussion on foreign aid the Ministry emphasises the strengthening of aid to "areas important to the maintenance of world peace."

While stressing the non-economic aspects of Japan's role it says that the country needs to open its market more and to expand its domestic demand. This should be done, the Ministry says, by way of response to the "mixture of world expectations and criticism of Japan, taking into account various countries' political expectations."

Bank of Japan urges cut in current account surplus

BY OUR FAR EAST EDITOR IN TOKYO

JAPAN must curtail the growth of its current account surplus but should not do so by submitting to protectionist pressures from other countries, a senior official of the Bank of Japan said yesterday.

He suggested the most effective way to cut the surplus would be to strengthen the yen. An export surcharge triggered by changes in the exchange rate would not work as a means of cutting the surplus because it would probably tend to make the yen weaker, the official said.

The Bank of Japan is pleased with the recent appreciation of the yen from a rate of over 245 to the dollar to its current level of 1 dollar equals about yen 232.

The recovery, however, amounts only to a return to the position in the early summer and still leaves the yen undervalued in the bank's opinion.

Further appreciation will depend on whether U.S. interest rates come down and on whether the foreign exchange markets wake up to the significance of the huge surpluses Japan is running on its trade and current account and the correspondingly big surplus run by the U.S.

Bank of Japan officials say Japan's domestic economic situation requires a cut in discount rate from the present level of 5.5 per cent but continue to maintain that any cut at this stage would endanger the yen's recovery.

The shift in the yen's exchange rate since mid-September is attributed by the bank to changed expectations about U.S. interests rates and to the fact that holders of "short" yen positions in overseas foreign exchange markets have been hurrying to purchase yen.

China offers conciliatory gesture over Hong Kong

BY NICHOLAS HIRST IN TORONTO AND DAVID BUCHAN IN LONDON

WU XUEQUIAN, the Chinese Foreign Minister, yesterday injected a conciliatory note into the fraught negotiations over the future of Hong Kong by saying Chinese inhabitants of the present British colony will administer it themselves after it returns to mainland sovereignty in 1997.

His statement was an apparent gesture to the crisis of confidence inside the colony, signalled by the steep fall in the Hong Kong dollar.

It came on the day that Mrs Margaret Thatcher met the governor of Hong Kong, Sir Edward Youde, other members of the Hong Kong executive council, and Sir Percy Cradock, British ambassador to Peking, in London.

At a Press conference in Ottawa during an official visit there, Mr Wu said "the mainland will not send people to administer" Hong Kong after 1997, the expiry date of the current 99-year British lease.

Foreign Office officials noted that Mr Wu's words lacked the stridency of those emanating recently from Peking, but they did not constitute a change in China's position.

The key words in Mr Wu's statement were "Chinese inhabitants." Britain, as a high level Foreign Office official made clear yesterday, still seeks a continued share in Hong Kong's administration after 1997 despite public objections from Peking. This demand was presumably part of the negotiating stance, on which Mrs Thatcher and the Hong Kong leaders reached "complete understanding" yesterday, according to a Downing Street statement.

Mrs Thatcher reaffirmed her government's intention to seek a solution "acceptable to Parliament, China and the people of Hong Kong," the statement said, while the Hong Kong leaders expressed their appreciation for London's "continuing commitment" to the colony.

Despite moderate optimism in London that quiet diplomacy can reach a solution, the wide gap between the two sides again became clear yesterday.

Mr Wu hoped the British would see sense that "the question of sovereignty is not negotiable," and he went on to say that "we will announce our decision in September 1984 to resume sovereignty in 1997."

Bonn, Peking sign accord to promote investment

BY JONATHAN CARR IN BONN

WEST GERMANY and China have taken a new step to intensify economic ties with the signature yesterday in Peking of a comprehensive agreement to promote and protect investment.

The agreement, believed to be the first of its kind reached between Peking and a major western country, was signed by the Bonn Economics Minister, Count Otto Lambsdorff, and the Chinese Foreign Trade Minister, Mrs Chen Muhua.

The accord sets out the legal framework for establishment of mixed German-Chinese enterprises, a key step for German companies wanting to penetrate the difficult Chinese market.

The agreement guarantees the German investor the right to transfer profits home, and to "appropriate" recompense in the event of expropriation by the state.

West German exports to China rose by 40 per cent in the first seven months to DM 1.46bn (£379m). Imports from China rose by only 5 per cent to DM 1.1bn—a modest growth rate but still stronger than the increase of Germany's imports as a whole.

● The West German inflation rate slowed slightly last month, the Federal Statistical Office reported yesterday. Consumer prices in September were 2.9 per cent higher than they were a year earlier, after being 3 per cent higher in August.

Menendez arrested by army

By Peter Bains in Buenos Aires

GENERAL Mario Menendez, who was governor of the Falkland Islands during Argentina's occupation during 1982, has been placed under 60 days' arrest by the army High Command.

Military officials said the retired general had been sentenced for giving an unauthorised interview on his experiences during the conflict with Britain. Under the army code, retired officers must seek permission from the High Command before making public statements on controversial subjects.

The interview, by a local writer, has been published in book form under the title "Malvinas: the Governor's Testimony." It has been freely available in book shops for the last month, and there was some confusion over why the army had taken so long to act against General Menendez.

The book gives a highly critical account of the war. General Menendez claimed the the original intention of the Argentine military junta was to put him at the command of a "symbolic" garrison. "The Junta was not, apparently, expecting an important military response from Great Britain," he said in the book.

His view is that there was considerable improvisation during the conflict and that his forces were hopelessly inferior to the British Task Force. He says he did not have the necessary long-range artillery and helicopters to mount a counter-attack after British forces landed at San Carlos.

General Menendez is also extremely critical of General Leopolda Galtieri, president and army commander during the conflict. When British forces surrounded Port Stanley, General Menendez says he asked General Galtieri to accept Resolution 52 of the United Nations Security Council while there was still time, but that this was refused.

General Galtieri was himself arrested for two months in April after giving a similar unauthorised interview.

Punjab forces boosted as Delhi assumes direct rule

BY K. K. SHARMA IN NEW DELHI

THOUSANDS of para military reinforcements were deployed yesterday in the troubled border state of Punjab in north-west India following the abrupt dismissal of the Congress(I) government there and the assumption of direct rule from New Delhi.

Mrs Indira Gandhi, the Prime Minister, took control of the Punjab after attacks by Sikh extremists on buses and trains in which 10 Hindus were gunned down.

With the escalation of violence and the threat of clashes between Sikhs and Hindus, she decided that the situation could not be controlled by the state government formed by her own party.

With the dismissal of the state government on Wednesday intense patrolling by armed police began on the main towns in the Punjab, notably the Sikh holy city of Amritsar which is the focal point of the year-old agitation by the Sikhs over political and religious demands.

Powers were given to the police to shoot at sight people threatening the peace in Punjab. Orders were issued empowering the authorities to declare the state a "disturbed area," the first time this has been done outside the sensitive north-east where tribesmen have been in revolt for years.

Mr A. P. Sharma, the governor of Punjab, announced yesterday that if necessary the army would be called in to help maintain order. A major confrontation with the Sikh extremists in the Punjab is thus in the offing.

Throughout the Punjab, commercial activity came to a standstill as businesses and shops observed a call by non-Congress prties for a strike in protest against the killings. The violence has been condemned by all politicians, including the Akali Party of the Sikhs which has disowned responsibility for the fresh wave of violence.

Trouble has been brewing for more than a year in the Punjab, where the Sikhs have been agitating for greater autonomy for the state and demanding more freedom to practice their religion. The Government has conceded the religious demands but the political deadlock remains unbroken.

South Korean jet doubts

NEW YORK—U.S. intelligence experts have found no sign that Soviet air defence personnel knew the South Korean jumbo jet was a commercial plane before a Soviet fighter shot it down five weeks ago, the New York Times reported yesterday.

Most U.S. intelligence specialists now believe the SU-15 fighter which fired rockets at the Boeing 747 was below and behind the airliner, rather than parallel to it, as high-level Reagan Administration officials first believed, the paper said.

It quoted the experts as saying that, given the difficulty of identifying the plane from below, they believed the Soviet pilot probably did not know what kind of plane he was shooting down in Soviet airspace.

The experts generally agreed that the Soviet air defence force had displayed a poor capacity to intercept aircraft in Soviet airspace, to distinguish between commercial and military planes and to identify a plane before firing at it, the paper said.
Reuter

Optimism in U.S. as unemployment falls

BY ANATOLE KALETSKY IN WASHINGTON

THE U.S. unemployment rate declined to 9.3 per cent in September from 9.5 per cent in the previous two months, suggesting that the U.S. economy is continuing to recover at a robust rate, after a moderate slowdown in the summer.

The Labour Department's report showed that the number of jobs grew by 400,000, or 0.4 per cent, in September while the average working week continued to lengthen to 40.7 hours, its highest level since April 1978.

The length of the working week is considered a leading indicator for changes in employment because businesses frequently increase working hours for existing employees as a prelude to expanding their workforce.

Yesterday's unemployment figures, which were somewhat more builish than many private analysts expected, coincided with a generally optimistic report on the economy from the business Council, drawn from the nation's largest industrial and service companies.

The council raised its forecast for economic growth in 1983 from 2.6 per cent to 3.1 per cent on an average year over average year basis. It said that GNP growth in the coming year will laverage between 3.5 and 4.5 per cent a quarter and projected a 4.8 per cent growth rate for 1984 over 1983.

Although the council warned that "two dark clouds," namely the huge U.S. budget and trade deficits, continue to overshadow longer-term economic prospects, it said that a serious resurgence of inflation next year was unlikely, because productivity improvements and moderate wage settlements would outweigh adverse factors. The council's economists forecast a 5 per cent increase in the consumer price index between 1983 and 1984.

Corporate earnings should grow by 18 per cent in 1983 and a further 24 per cent in 1984, while capital investment is already beginning to pick up and should rise by 5.8 per cent next year

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Austrian unions want hours cut

By Our Vienna Correspondent

THE Austrian Trade Union Federation (OeGB) today plumped for a reduction of the standard working week from 40 to 35 hours—but only "when and if the economy can afford it," as the resolution passed by the OeGB annual conference put it.

The conference decided that the claim should be pursued not at national level but at company or branch level. In principle the unions want wage levels to be maintained if and when hours are cut but may be willing to compromise on this.

Electricity Council removes sales chief

By Maurice Samuelson

THE MAN at the centre of a row between the domestic electricity and gas industries has been removed from his £25,000 a year job at the Electricity Council.

Mr John Roose, 54, the council's head of trading and communications, said yesterday: "I had early retirement forced on me and I am seeking legal advice." The council said he had agreed to take early retirement.

Mr Roose is recognised as mastermind of the campaign to persuade householders to buy electric-storage heaters rather than gas-fired heating. One advertisement describes electric heaters as "the boiler beaters."

The gas equipment suppliers have retaliated with press and television slogans which pour ridicule on the electricity industry's case.

The Advertising Standards Association has received complaints from both sides accusing the other of misleading the public and lowering advertising standards.

Mr Roose and the council say there is no connection between his retirement a week ago and the battle between the two industries. It is, however, widely believed that the council is nervous about the political implications of the row.

Gas equipment suppliers claim they are at an unfair disadvantage in competing with the resources at the disposal of a state industry. They say nearly £6m was spent in the year ending last March on promoting night-storage heaters and cheap night tariffs for electricity.

There is dissatisfaction at Government level at such sharp competition between electricity and gas.

Mr Roose says his success is reflected in the sales recovery of electric-storage heaters, from fewer than 100,000 a year four years ago to about 500,000 this year.

He said he had been transferred from South of Scotland Electricity Board to the Electricity Council to strengthen the commercial impact of the industry's marketing and to associate it closely with the marketing efforts of private equipment suppliers.

Norway seeks higher price for gas

By Fay Gjester in Oslo

THE BRITISH Gas Corporation, which is competing against Continental gas utilities for fresh supplies of Norwegian natural gas, has been told that an important North Sea field will be left unexploited if higher prices are not offered.

Mr Arild Roedland, Norway's deputy oil minister, reinforced the point when he told a British mission that if necessary Norway would develop its oil fields ahead of gas reservoirs.

"It is not mandatory for us to develop our gas immediately," he said, adding that Norway was adopting a "fairly relaxed attitude on the subject."

Mr Roedland was speaking in Oslo after a meeting with a British delegation led by Mr Alick Buchanan-Smith, Minister of State for Energy. Both ministers agreed that difficult negotiations about the price of future supplies from the big Sleipner field and other reservoirs should be left strictly to the commercial companies concerned.

Table wine sales up

THE TABLE wine market rose 10 per cent by volume in the year to the end of July, the Wine and Spirit Association reports.

Sales of medium wines, which include sherries and vermouths, continued to fall, with an 8.6 decline. Heavy wine sales, mainly port, recovered slightly, rising by more than 2 per cent.

Retailers hope for record Christmas wine sales.

Jason Crisp reveals problems behind the Christmas surge

Computer buying bonanza awaited

A NERVOUS and troubled computer industry is anxiously waiting for an expected bonanza in the period to Christmas.

There is a widely held belief that there will be significant shortages of the best selling brands. At the same time some of the less popular models are expected to be dumped on the market at knock-down prices.

Britain's love affair with the personal computer appears to be stronger than ever. The country already has a higher percentage of homes with a computer than any other.

The U.S. consultants, International Data Corporation (IDC), say 5 to 6 per cent of British homes have a computer compared with 2.5 per cent in the U.S. Last year Britain bought more computers than all the rest of Western Europe. By the end of the year one in 10 British homes will have a computer.

The industry generally believes that 1m computers will be sold in the UK this year. What is worrying them is that more than half of these sales worth more than £75m will be made in the three months before Christmas.

Sinclair Research Spectrum	£99
Commodore VIC-20	£140
BBC (Acorn)	£399
Commodore 64	£229
Texas Instruments 99	£140
Oric	£99
Sinclair ZX81	£40
Atari 800	£300
Dragon 32	£174

UK's Top 10 personal computers (last two weeks of September Source: Personal Computer News, compiled by MRIB Computers.

Mr Richard Hease, chairman of Prism, the largest UK distributor of home computers, says there will be a shortage. The three best selling computers — the Spectrum, Commodore and BBC Acorn — would be in such great demand that the manufacturers would not meet orders for Christmas.

Mr Hease and others in the industry believe that other computer companies will have strong sales because of a shortage of the more popular lines.

After a relatively slow summer, Sinclair Research stepped up production of the Spectrum — Britain's best selling computer — by 100,000 for the last six months of the year. The company is making 80,000 a month compared with 60,000 in July but a sudden strong demand from retailers in September has left the company with little stock.

Acorn, which makes the BBC computer selling at £400, has launched the Electron at £200. Mr Jim Merriman, production director, denies widely held views that there have been few deliveries of the computer, which is made in Malaysia by Astec, part of BSR.

Mr Merriman says the computers are being flown in daily, but adds: "There is no doubt that demand is horrendous. Dealers are knocking on our door for more Electrons."

Mr Eddie Styring, marketing director of Dixons, the photographic retail chain and one of the largest sellers of personal computers, is more cautious. He says: "There cannot be a shortage at the moment, although certain retailers may not be getting some of the models they want.

"Last year there was a considerable shortage but the manufacturers have geared up for it. But it is extremely unpredictable."

Mr Eric Salamon, marketing director of Atari in the UK, also warns that predictions are speculative. Atari in the U.S. has been badly hit by the price war in home computers there. In the UK the company has launched two computers selling at £159 and £249.

Mr Salamon denied that the old models would be dumped at cut price. "We have very little stock left," he said.

This year is only the second in which the personal computer has been a major retail item. Strong demand in the final quarter of the year also causes major cash flow problems for small computer companies.

In the UK two companies have gone into receivership this year. Grundy and Iotech — subsequently bought by another company. Dragon, the computer which sold out dramatically last Christmas, had to be rescued with a major cash injection.

Capital Radio retains franchise

BY RAYMOND SNODDY

CAPITAL RADIO has won its battle to hold on to London's general and entertainment commercial radio franchise.

The Independent Broadcasting Authority yesterday awarded Capital a further eight-year contract, which will run from 1984-1992.

Sir Richard Attenborough, Capital's chairman, said although Capital had faced tremendously distinguished opposition in the form of Sir Peter Parker's Metropolitan Radio he would have been surprised if Capital had been de-franchised.

"In their end of term reports over the last couple of years the IBA were very complimentary about Capital's performance," he said.

He was given the news by the IBA on Thursday evening a few hours after it was announced that Centre Radio of Leicester had ceased trading and was going into liquidation.

Sir Richard, as he celebrated the good news, was able to look back on the early days when Capital nearly met a similar fate.

"We came within a whisker. Directors had to personally underwrite the station's overdraft."

As part of its application for the new contract Capital undertook to broaden its ownership base. About 15 per cent of the shares are likely to be sold within about 12 months. This will probably be done by seeking a quote on the Unlisted Securities Market. Major shareholders in Capital include Fleet Holdings, Local News of London, Rediffusion and Standard Broadcasting Corporation (UK).

Sir Richard said all the shareholders would sell a proportion of their shares. There was no question of one or two institutions buying them all.

Capital, with a weekly total of 4m listeners, plans to introduce a daily soap opera and a comedy series. There are also plans to extend outside broadcasts and to increase the station's output of live music.

Mr Bob Kennedy, managing director of Metropolitan and a former director of Capital, said he was disappointed that the IBA had not taken the opportunity to broaden ownership and provide more cash for the broadcasting industry.

"It is doubtful whether a more able and dedicated group could be found to become an IBA contractor than the one which we assembled. I am surprised, and disappointed for London and independent radio as a whole," Mr Kennedy said.

Commercial vehicle sales up

COMMERCIAL vehicle sales last month were 16.3 per cent higher than in September 1982 at 26,372, reflecting increased demand across all market sectors.

Importers are reaping most of the benefits, however. Their penetration increased from 33.94 per cent in September last year to 39.47 per cent last month.

Over the first nine months of the year, when total sales rose by 17.56 per cent to 206,535 vehicles, the importers' share moved ahead from 29.84 to 34.41 per cent.

The recovery in the commercial vehicle market is still concentrated mainly at the lighter end with trucks and articulated lorries over 3.5 tonnes gross lagging behind.

During the nine months the heavy sector improved by only 7.57 per cent to 38,958 vehicles. Light van registrations were up by 25.65 per cent to 66,848 and those of medium and heavy vans by 18 per cent to 90,610, according to figures from the Society of Motor Manufacturers and Traders.

Light four-wheel-drive vehicle registrations for the nine months were 15.64 per cent ahead at 9,071.

The exception was the bus and coach sector where sales of double-deckers have been in the doldrums. Over the nine months registrations of buses and coaches fell by 3 per cent to 3,048.

Rumasa's ex-head given £25m bank guarantee

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

SR Jose Maria Ruiz-Mateos, former head of the expropriated Spanish conglomerate Rumasa, is to get a bank guarantee, limited to £25m, to cover any damages to which he may be entitled if the courts rule he is the legal owner of the trademarks for Dry Sack sherry.

The guarantee will be obtained from Banco Exterior, the external arm of the Bank of Spain, in the next seven days by Williams and Humbert, a Rumasa English subsidiary which is disputing ownership of the trademarks with W. & H. Trade Marks (Jersey), a company controlled by Sr Ruiz-Mateos and his family.

The value of the trademarks, which were transferred from Williams and Humbert to the Jersey company before the expropriation, is put at £25m.

The guarantee was agreed in the High Court yesterday after Williams and Humbert had been unable to obtain an unlimited guarantee from a British clearing bank.

The provision of such a guarantee had been part of an agreement in July designed to preserve and protect the trademarks, and the rights of the disputing parties until the courts rule on Williams and Humbert's challenge to the validity of the transfer.

Williams and Humbert had been able to obtain only a £700,000 guarantee from Barclays Bank. That will remain in existence alongside the Banco Exterior guarantee.

Mr Alan Steinfeld, for Williams and Humbert, told Mr Justice Vinelott that in July the company had been assured that Barclays would give an unlimited guarantee. Subsequently it had been learned that no British clearing bank would be prepared to do so.

The Spanish Constitutional Court is expected to rule before Christmas on Sr Ruiz-Mateos' challenge to the validity of the decree under which the Spanish Government expropriated Rumasa.

If the court finds for him, Sr Ruiz-Mateos will regain control of the group, including the rights in Dry Sack.

SU Butec cuts 290 jobs at Llanelli factory

By Our Motor Industry Correspondent

A QUARTER of the 1,200 employees at the Llanelli, Dyfed, factory of SU Butec, BL's component subsidiary, are to be made redundant by next summer.

Unions were told yesterday the factory would have to cut production of radiators and heater parts because two Austin Rover cars — the Ambassador and the Ital — were soon to go out of production and because of a "facelift" for the Metro.

SU Butec wants 115 temporary workers to go by December and 175 permanent employees by June. It has asked for volunteers to take early retirement or redundancy.

Four years ago the factory was employing 2,500.

SU Butec was set up in 1975 from a group of component companies within BL's car division. In a reorganisation three years ago three plants were disposed of (one went back to Austin Rover, another was bought by the management and

Computer for travel agencies

By Arthur Sandles

MORE THAN 5,000 British travel agencies are being offered their own computer system, Modulas, through a deal landed yesterday between the trade body, the association of British Travel Agents and British Telecom.

ABTA has its own computer subsidiary, Tourism Technology, which took on Modulas development and production after earlier backers ran into difficulties. Now UK marketing rights have gone to British Telecom.

Mr Eric Sutherland, ABTA president, said yesterday that the system would give customers instant bookings and the opportunity to ask for details about what is being offered.

He said the system was "a real breakthrough for the smaller travel agent."

Modulas units give agencies accounting systems, word processing facilities and ticket printing in addition to booking services. The basic unit is expected to cost £10,000.

OFT denies controversy over ruling

By David Dodwell

THE OFFICE of Fair Trading insisted yesterday that there was no controversy over the decision by Mr Cecil Parkinson, the Trade and Industry Secretary, to overrule its recommendation that the £42m bid from Dalgety for Ranks Hovis McDougall's agricultural services division should be referred to the Monopolies Commission.

The OFT said yesterday: "It is only in the wake of several controversial reversals of OFT recommendations last year that people have come to assume that an overruling is controversial.

"Of about 10 mergers a year that we recommend a referral on, it is quite normal for one or two recommendations to be reversed. The Dalgety bid is one of these."

Over the second half of last year, Mr Parkinson's predecessor, Lord Cockfield, perplexed the OFT by reversing a series of recommendations.

Dalgety unveiled it agreed purchase of RHM's agriculture division in August. On completion of the deal, Dalgety would account for 16 per cent of the UK market for animal feedstuffs.

Last night Mr Ian Wrigglesworth, the SDP spokesman for trade and industry, said: "It is wholly inappropriate for Cecil Parkinson, as a Conservative Secretary of State, to give special protection to a company which donated £20,000 to Conservative Party funds last

Bow Group calls for debate on Tory options

By John Hunt

The economic affairs committee of the Bow Group yesterday called on next week's Conservative Party conference to initiate a debate on the radical options open to the Government on financial and industrial policy.

It said the public expenditure debate should take place with greater freedom and publicity. The advantages of denationalisation and competition must be proclaimed and radical taxation reform could not be ignored.

"Any radical measures will have to be taken in this first year of office," it argues. "Unless the Government acts quickly and decisively to end supply side distortion there is a danger that the next five years will be spent trimming and fudging without the fundamental questions being answered."

The committee is critical of the continuation of tax concessions on company cars, home mortgages, pension fund contributions and capital equipment allowances. It believes these discourage people from allocating resources in the most useful way and that they raise the basic rate of tax.

The Blackpool conference promises to be livelier than expected with criticism of the Government from both "wets" and "dries" at evening meetings.

On Thursday, a meeting entitled "Local Government Democracy under Threat," will be addressed by Mr Alan Greengross, Conservative leader on the Greater London Council, and Mr Jim Lester, MP for Broxtowe and former Under-secretary for Employment, who is one of the leading "wets."

The meeting will discuss government plans to abolish metropolitan county councils and the GLC. The main criticism will be that the machinery to replace them will be unworkable.

The meeting is organised by the Tory Reform Group, which has formed a London councillors group as an independent forum.

Another meeting organised by the group will be addressed by Sir Ian Gilmour, former deputy Foreign Secretary, whose theme will be "Is Toryism Dead?" Mr James Prior, the Northern Ireland Secretary, will speak at the group's annual dinner. Both Sir Ian and Mr Prior are prominent "wets."

Mr Peter Walker, Energy Secretary, who is left-of-centre in the party, will speak at a meeting entitled One Nation in the 1980s.

He is likely to remind Tories that they should not be seen as a modern version of 19th century Liberals clinging to the free market at all costs.

Warning on negotiated commissions

By Andrew Arends

MR PETER STEVENS, senior partner of stockbrokers Laurie Milbank, and a member of the Council of the Stock Exchange, yesterday gave a warning that the expected introduction of negotiated commissions would force smaller broking firms to seek a specialised niche to survive.

Mr Stevens told a City conference that stock market deregulation in 1975 had led to less of job for one in five analysts.

Although the U.S. experience was not precisely similar to the situation British firms would face with the expected changes, stockbrokers could not just sit back and wait for things to happen.

He hoped the legislation and changes in Stock Exchange rules could be outlined soon so that members could plan their strategies. He also called on all members of the Stock Exchange to support the proposed constitutional changes.

He also suggested that negotiated commissions would probably reduce the number of member firms on the Stock Exchange, with larger firms seeking economies of scale and tending to become "financial supermarkets."

Mr Alistair Grant, of stockbrokers De Zoete and Bevan, said that at present there was too much research and there were too many broking salesmen. "There will just not be enough commission to go round."

In the new circumstances it would be necessary to go out and talk to clients to find out exactly what services were required, he suggested.

Overseas calls delayed by industrial action

BY DAVID GOODHART, LABOUR STAFF

INDUSTRIAL ACTION by telephone engineers at Mondial House in London — the main centre for international calls — is starting to have a serious impact on the system, union officials say.

British Telecom yesterday moved to suspend another eight engineers involved in the work-to-rule which is being staged as a protest against the Government's Plans to privatise BT. The action by 1,000 members of the Post Office Engineering Union began last Monday and BT suspended 32 engineers on Thursday.

BT will not disclose the extent of the system's deterioration but union members claim that exchanges have lost at least 20 per cent of capacity which is causing long delays on some calls.

There are three separate exchanges at Mondial House — Mondial, Thames A and Thames B. The Mondial exchange, built by Plessey, is older and more vulnerable to breakdown. It deals mainly with "minor" route calls to Africa, South America and Eastern Europe. The other two units are Ericsson exchanges.

BT has not yet attempted to bypass the POEU action by using management or executive grades to do some maintenance work. But as the action bites deeper, union officials expect management to make such moves and to increase the suspensions.

The POEU has so far received considerable support from the local branch of the Society of Telecom Executives, the main management union, which has refused to do POEU work.

Clerical workers in the Civil and Public Services Association have also started to take supportive action in the POEU's related fight against the private network, Mercury. The CPSA has told members in London and Birmingham not to handle the advice notes that tell engineers to make links between Mercury and the BT system.

Mercury's attempt to secure an injunction restraining the POEU's industrial action against the private system and its customers is likely to be given a preliminary hearing on Monday. The union is expected to seek an adjournment.

Dim view taken of idea to videotape NUJ pay talks

BY JOHN LLOYD, INDUSTRIAL EDITOR

A UNIQUE proposal that national pay negotiations be videotaped and shown to union members has been made by the National Union of Journalists.

Mr Ron Knowles, an NUJ national officer, asked for the facility in forthcoming talks between the union and the Newspaper Society, which represents provincial newspaper proprietors.

Mr Norman Walker, the society's industrial relations director, brusquely turned down the plan in a letter to Mr Knowles. The society said last night that "no useful purpose would be served."

Mr Knowles retorted: "We have nothing to fear from our members and their being able to see first hand how the negotiations are handled and how our claim is handled."

Mr Knowles action was controversial within his own union, however. At least two fellow officials with reportedly less libertarian instincts than his, thought members might show less enthusiasm for seeing their negotiators in action than Mr Knowles believes.

Both Mr Knowles and Mr Jake Ecclestone, the union's deputy general secretary, are keen admirers of Mr Lech Walesa, the Solidarity leader, whose negotiations with the Polish Government while Solidarity remained a powerful force were held in a packed hall and filmed for subsequent showing.

Mr Ecclestone believes the Newspaper Society is in roughly the same position as the Polish Government, which was unenthusiastic about having to negotiate and about doing so in public.

The society's objection is compounded by its dislike of the new medium of videotape, which it sees as competition. "We don't like anything on videotape," it said last night.

Possibly with the intention of compressing the shooting period, Mr Knowles had pro-intensive negotiation in late November and early December, to meet the settlement deadline of December 31. The NUJ's £15-a-week claim will be lodged, following consultation, on November 2.

Mr Walker objected to this also, saying that the period proposed by Mr Knowles would be insufficient. Thus Mr Knowles, a distinctive, if diminutive, figure with a flowing beard, is unlikely to displace Lou Grant as journalists' media hero.

● Messenger Group Newspapers' attempt to secure an injunction against the print union, the National Graphical Association, was adjourned for a week yesterday. The Messenger is bringing the case under the Employment Act 1982 in response to a letter from the union which attempts to persuade advertisers not to use the Stockport Messenger until the union resolves a recognition dispute.

Esso-Fawley construction dispute goes to Acas

BY DAVID GOODHART, LABOUR STAFF

A RENEWED attempt to end the long construction strike at the Esso-Fawley refinery near Southampton will be made on Monday at the conciliation service, Acas.

The strike, soon to enter its sixth week, has set back work by Bechtel, the main site contractor, on a major energy conservation project for Esso. It has also led Esso to defer the award of £20m of construction contracts for the development of the site.

The 1,200 workers involved are claiming a "substantial" pay rise, a one-hour reduction in the working week to 38 hours, and increased job security. Bechtel, which is leading the negotiations for the contractors, has offered an increase of about 5 per cent which would take the weekly skilled rate from £156 to £164.

That would represent an hourly rate of £4.22 — a little above the engineering construction industry's national agreement. But the main grievance of the Fawley workers is comparability with maintenance workers employed directly by Esso, who earn between £190 and £225 a week. Union officials say they do very similar work.

Bechtel argues that the Fawley workers are on the highest basic wage for construction work on the UK mainland. It also says that the 38-hour week has not been granted anywhere else in the industry.

Talks between Bechtel and the Confederation of Shipbuilding and Engineering Unions, the umbrella organisation representing the six unions, made some progress last Thursday and were adjourned until Monday.

TV sport blackout threat

TELEVISION sport could be affected this weekend by a dispute over allowances between the BBC and the Association of Broadcasting Staff.

The union has threatened 24-hour stoppages and further action could hit coverage of weekend sport like football and horse racing.

Outside broadcast staff are demanding the right to return home, where practicable, when working away from base. They want to be paid for time taken travelling to and from home and to receive a mileage allowance in exchange for waiving the ments of £60 a night compared with bed and breakfast charges of up to £26, overnight hotel and meals allowance.

The BBC has refused, saying this could mean minimum pay.

● ITV's Big Match football programme will be blacked out again this weekend because of a dispute with film editors. No talks are planned between ITV and the editors' union, the Association of Cinematograph, Television and Allied Technicians.

Ford plant at standstill

PRODUCTION at Ford's Halewood plant on Merseyside remained at a standstill for a second day yesterday as attempts continued to end the strike of 300 long distance drivers who deliver cars to the Ford dealer network.

The delivery men, who work for Silcock and Colling, have been on strike for the past five weeks over 90 threatened redundancies.

The company says it will lose some 900 cars a day — 750 Escorts and 150 Orions — with a showroom value of £5m. All storage space is now occupied. The Liverpool office of the Advisory Conciliation and Arbitration Service attempted to bring the two sides together once more yesterday after talks broke down on Wednesday night. Further attempts will be made over the weekend.

Metro-Cammell seeks salvation in the East

BY HAZEL DUFFY, TRANSPORT CORRESPONDENT

MR TONY SANSOME, chairman of Metro-Cammell, is hoping anxiously for an invitation from Singapore to tender for the S$200m (£63m) railcar contract for its metro.

If he receives it the Birmingham engineering company could be awarded the contracts — or part of them — within a few months. This would show the company has what it takes to survive.

Metro-Cammell is one of only two specialist railcar builders in the UK. Like many British engineering companies it suffers from a weak domestic market.

London Transport's last round of major orders ended two years ago, and the last of the 90 Jubilee Line cars for the underground will be delivered towards the end of next year.

Apart from an order for a prototype replacement car for the Central Line, Metro-Cammell cannot expect another order from the capital until the end of the decade. Since London Transport has also put out contracts for the prototype to British Rail Engineering (BREL) — the company's UK competitor — and to companies in France and West Germany, it is not certain it will take a major share of LT business in the 1990s.

The company, however, is looking hopefully towards the large orders which British Rail will place for its ageing diesel multiple unit (DMU) fleet.

Metro-Cammell used to supply BR, but after BREL was created in the late 1960s, it was virtually excluded from this market.

BR decided recently, however, to consider buying equipment again from other suppliers. The move was designed both to underscore the principle that BR and BREL should maintain an "arm's length" relationship, and to sharpen BREL's competitive edge, particularly in export markets.

Thus both Metro-Cammell and BREL have been asked to produce a prototype DMU.

Metro-Cammell's exclusion from BR's business prompted the company to diversify into the mass urban transit business in the early 1970s. "It was also a deliberate decision to move up in technology," says Mr Sansome.

"We did not want to go on just building carriages, but to design self-propelled carriages and complete trains."

In the export field the company won the large and highly profitable contracts for the Hong Kong Mass Transit railway, and later for the Hong Kong-Kowloon railway. These contracts projected Metro-Cammell into the international league of mass transit suppliers.

Singapore would be a fitting follow-up to the Hong Kong success. Metro-Cammell Weymann, the bus manufacturing part of the group, faces a similar predicament to the railcar division. The ending of the Government's bus grant next year resulted in the bunching of local authority orders in the past two years, with little apparently to follow.

So MCW has re-entered the growing coaches market to try to lessen its dependence on local authorities.

Metro-Cammell, meanwhile, still has no major new orders. Earlier this month it announced that another 325 jobs are to go from the Birmingham railcar works.

Mr Sansome feels fluctuations in the workload are inevitable and argues that the company must adjust its workforce so as to compete.

If Singapore, or another major order comes Metro-Cammell's way in the near future, it will probably be late 1985 before the job reaches the shop floor.

If the British Rail prototype results in firm orders the company's problems will be considerably eased. But Metro-Cammell's true ability to survive will probably be determined by its ability to repeat its successes overseas.

Scargill accuses coal board of deceiving miners

BY KEVIN BROWN

MR ARTHUR SCARGILL, president of the National Union of Mineworkers, yesterday accused the National Coal Board of falsifying its accounts to deceive miners and the public.

Mr Scargill told the Labour conference in Brighton that the board had undervalued £25m tonnes of coal stocks by £8.00 a tonne in its accounts for the 1983 fiscal year. That would transform the published loss of £11m into a profit of £100m.

The National Coal Board, chaired by Mr Ian MacGregor, former chairman of British Steel, was deliberately supressing vital information in an attempt to demonstrate that the board was a loss making organisation, he said.

Mr Scargill said the board's accounts were known in the NUM as "Fanny Cradocks Cookbook." "These people have no compunction about fixing the figures and I stand here today and accuse them," he said.

Mr Scargill said the board was guilty of "the greatest duplicity since Goebels," Hitler's propoganda Minister.

"My members are now being victims of political harrassment by this Tory Government. The agents are the National Coal Board. At every turn people are being subjected to the most vicious treatment by the board and the Tory Government," he said.

Mr Scargill said the lure of redundancy payments was destroying the mining industry. Yet it would be far cheaper to keep pits open through subsidies than to pay miners to give up their jobs.

He called for retirement at 55 for all miners—starting with Mr MacGregor. "The industry should be aiming to use new technology to get people back to work," he said.

Mr Scargill won unanimous backing for the NUM's fight against pit closures. Delegates called on the coal board to restart talks at the threatened Monktonhall pit in Scotland.

Mr Dennis Skinner, MP for Bolsover, and a member of the national executive committee, said the British coal industry received far less in subsidies than others in Europe. The £1,300m estimated annual support for agriculture or the £3,911m paid in subscriptions to the EEC in the last three years would make a vast difference if they were applied to the coal industry.

Mr Skinner, who is a former miner, said the board's pit closure plans were part of Mrs Thatcher's revenge for the Conservative's election defeat in 1974

Quotas urged for imports of UHT milk from EEC

BY KEVIN BROWN

THE LABOUR conference called for quotas and a transitional period for imports of ultra-heat-treated (UHT) milk from the EEC, in an emergency resolution yesterday. The European Court has ruled UHT milk cannot be excluded from Britain.

Mr Eric Heffer, for the national executive committee, said imports could eventually threaten home milk deliveries and put 50,000 jobs at risk.

"If there have to be imports we urge that it should be limited to the importation of UHT, but I do not think it will rest there. I think sooner or later there will be the importation of all milk and our doorstep deliveries will case," he said.

Mr Heffer said the Conservative Government had raised milk prices six times in four years by a total of 60 per cent.

Mortimer warns of massive task ahead

By Kevin Brown

Mr JIM MORTIMER, general secretary of the Labour Party, warned in the final speech of the conference that the party must not underestimate the immensity of the task of getting back into government.

But he told delegates: "We can take encouragement and inspiration from this week in preparation for the local elections, for the European elections, and for the next general election."

Summing up a week that has seen Labour more united than for years, but still deeply divided on defence, constitutional reforms and Northern Ireland, Mr Mortimer said the party had put at the top of its priorities the task of defending jobs.

Labour would be campaigning united in defence of the health service, for better pensions, and against anti-trade union legislation, he said.

Putting the bravest possible face on the party's defence dilemma, he claimed there was no contradiction between the "basic aim" of unilateral nuclear disarmament, and the "important campaigning policy" of trading off Polaris against Soviet SS-20 missiles.

Mr Mortimer paid a fullsome personal tribute to Mr Michael Foot, the retiring Labour leader, for whom the conference marked the end of a disastrous period of leadership.

Mr Foot had displayed an unswerving fidelity to human progress, democracy and socialism. He had remained true to the cause despite the abuse of the Press and the corrupting influence of public prominence.

Earlier, Mr Eric Heffer, the MP for Liverpool Walton and defeated candidate in the Labour leadership election, urged the party to make a huge efforts in the European elections.

The party had said that coming out of the Common Market remained its basic policy but it had to play its part in the meantime, he said.

Delegates reject moves to reduce role of MPs

BY IVOR OWEN

WITH THE emphasis still on the need to avoid damaging the new spirit of unity in the party, Labour's conference ended at Brighton yesterday with the decisive defeat of an attempt to fetter the freedom of Labour MPs to decide for themselvs how they vote in the Commons.

Proposals to introduce the principle of one member one vote and to change the balance of the electoral college which has just installed Mr Neil Kinnock as the party's new leader were also rejected.

Hard left activists from the constituency parties heckled Mr John Golding, the right-wing MP for Newcastle under Lyme, when he warned on behalf of the national executive that approval of the proposal to reduce the role of Labour MPs to that of rubber stamping conference decisions would damage and not enhance party unity.

He instanced occasions in the past when Mr Kinnock and other prominent MPs had found it necessary to vote in the Commons in a contrary sense to decisions taken by the party conference.

Mr Golding told his critics on the extreme left of the party: "I have never knowingly voted against the Labour whip—I do not vote Communist."

He stressed that the introduction of mandatory re-selection meant that MPs were already answerable to their constituency parties for their activities in the House of Commons.

Mr Golding recalled that Keir Hardie had recognised the need for the Parliamentary Labour Party to retain its autonomy. He insisted: "My constituency party would be appalled if they thought I was merely to be a delegate from the conference to parliament."

Mr John Knapp, from Kilmarnock, moved the composite resolution — defeated by 5,044,000 votes to 1,564,000—calling for the introduction of a system of recorded votes by the parliamentary party so that the record of Labour MPs in supporting conference decisions could be subjected to detailed examination.

He said Labour Party members were entitled to know that conference decisions were supported by the parliamentary party and put on th agenda of the House of Commons and not allowed to disappear into a vacuum.

The longer the parliamentary party and the conference mistrusted each other the harder it would be to achieve unity and the shorter the honeymoon with the new leadership.

Mr Jack Dormand, MP for Easington and chairman of the parliamentary party, said Mr Kinnock would be meeting with its officers next week to discuss the tactics which should be adopted in the Commons now that the Conservatives had such a massive majority.

He contendedd that if the resolution were to be approved it would place Labour MPs in a straitjacket and make their task more difficult.

Supporting the demands for the introduction of one member one vote Mr Dick Maher from Bromsgrove argued that failure to do so would give an element of credence to the attempts being made to abolish the electoral college.

To perpetuate a system which gave too big a role to members of the general management committees of constituency parties in determining how votes should be cast in vital elections would be to encourage an elitism and arrogance unworthy of socialism.

Mr Eric Hammond of the electricians union—the EPTU—maintained that the party's general election defeat had highlighted the need to re-examine the way it conducted its internal affairs.

The establishment of the electoral college had narrowed the base from which the constituency parties were able to participate in key decisions.

Mr John Jones of AUEW Tass gave the majority view of the union leaders by strongly opposing any changes which would break up the electoral college.

To cheers he said: "This system has given us the leadership we have got now. That is good enough for me and I hope it's good enough for you."

Hugh Routledge

Roy Hattersley, Neil Kinnock, Eric Heffer and Michael Foot singing "Auld Lang Syne" at the end of the conference.

Future government pledge to repeal extension of police powers

BY OUR POLITICAL CORRESPONDENT

THE LABOUR conference yesterday committed a future Labour Government to repeal the extensions to police powers to be introduced by the Government in the next session of parliament.

The Police and Criminal Evidence Bill, which was a casualty of the dislocation of the Government's timetable caused by the general election in June, was bitterly attacked by delegates as a massive assault on democratic rights and liberties.

The Bill was condemned for its extension of police powers to stop and search, to arrest and detain suspects and search doctors' and social workers' files after obtaining a warrant.

Delegates called for elected authorities to be set up to oversee local police forces, for an independent complaints system, the disbandment of the Special Patrol Group and similar bodies, a ban on the manufacture and stockpiling of plastic bullets, and "the dismissal from the force of known racists and fascists."

Miss Jo Richardson, speaking for the national executive committee, said Labour would not acept the Conservative "mindless cries for blood."

Ms Barbara Roche of Battersea constituency Labour Party quoted Lord Salmon, the former Law Lord as saying: "Britain was coming close to being a police state." The Bill would be used to stop picketing.

WHITE PAPER ON LOCAL GOVERNMENT

System of joint boards designed to avoid 'conflict and uncertainty'

Robin Pauley examines how it is proposed to redistribute the work of the GLC and the metropolitan counties

THE GOVERNMENT yesterday unveiled further central controls on local government, announcing in the White Paper on the abolition of the Greater London Council and the six English metropolitan counties that the joint boards which will take over will have their budgets controlled by the Environment Secretary for at least three years.

The paper, which is exceptionally short—31 pages—leaving all the major issues open for consultation until January, will be followed in the next few weeks by five Green Papers on transport, planning, housing in Greater London, waste disposal and support for the arts.

Under the planned timetable, the GLC, Greater Manchester, Merseyside, South Yorkshire, Tyne and Wear, West Midlands and West Yorkshire will formally disappear on April 1 1986. But in fact they would go one year earlier when elections would be due, in May 1985. In the interregnum there would be "shadow" boards, possibly without the power of legislation approved by parliament behind them. The Bill would be introduced in November 1984 and the Government hopes to have it on the statute books by July 1985.

There are fears, not least among government managers including Viscount Whitelaw, leader of the Lords, that this legislation might fall in parliament, particularly the Lords. It would then be a moot point for the Conservatives to decide to resurrect it again a year later, when it could pass without a Lords veto, or whether to drop it. If it were resurrected the shadow bodies would have to operate in limbo for two years.

The Government's case for change rests on a combination of the rising metropolitan rate burden and the feeling that the upper tier of local government in urban areas is wasteful, bureaucratic and superfluous in meeting the needs of the community.

"The Greater London Council and the metropolitan county councils have found it difficult to establish a role for themselves. Most of the real power rests with the borough and district councils. The upper tier authorities have a large ratebase and an apparently wider remit. This generates a natural search for a "strategic" role which may have little basis in real needs.

"What is more, in most policy areas, the implementation of such strategic views as may be developed depends, in practice, on the agreement of the borough or district councils, which may not be forthcoming.

"This is a recipe for conflict and uncertainty. A strict interpretation of the upper tier role, as envisaged in the legislation, would leave members of these authorities with too few real functions. The search for a wider role brings them into conflict with the lower tier authorities. It may also lead them to promote policies which conflict with national policies which are the responsibility of central government," the paper says.

It goes on to describe the structure as fundamentally unsound. "The abolition of these upper tier authorities will streamline local government in the metropolitan areas. It will remove a source of conflict and tension. It will have money after some transitional costs. It will also provide a system which is simpler for the public to understand in that responsibility for virtually all local services will rest with a single authority."

But the section on the proposed new structures indicates that the major services will not rest with a single authority. The major functions—police, fire, education in inner London, and public transport, together with airports cannot be transferred to boroughs and districts.

The present police authorities will be replaced by combined authorities i.e. joint boards consisting of district council representatives and magistrates. The Government thinks the present general structure of police authorities is working well and that it would not be appropriate now to consider breaking up existing police forces.

On the whole the Government believes the fire service operation is broadly appropriate and the existing brigades will be retained. So again a joint board of district council nominees will become the fire authority.

Education in inner London will remain the responsibility of the Inner London Education Authority for the time being, but will be composed only of nominees from the inner London boroughs and the City of London Corporation (the latter, incidentally being the only authority which will carry the name of the capital once the GLC is abolished). The ILEA's chances of long-term survival depend on its performance. "The Government proposes to make the authority subject to review in the light of experience" is the phrase used to indicate implied central government control.

Public transport in London, already the subject of a separate White Paper, is to be run by a separate authority. In the metropolitan counties joint boards of elected members nominated by their district councils will act as passenger transport authorities and will be responsible for major decisions on revenue support "and hence on fares and service levels." These boards will also take over the metropolitan counties' interests in local authority airports.

"The Government is determined that the creation of the new joint boards shall not be used as an opportunity to set up extravagant and expensive new organisations. It therefore proposes that the precepts issued by each joint board should be subject to the approval by the appropriate secretary of state for the first three financial years. The secretaries of state will also have power to specify levels of manpower or of manpower expenditure.

The Government, mindful of the explosion of staff numbers and transitional costs which has traditionally followed major reorganisations in the public sector, is to establish a central staff monitoring scheme to operate for the first three years after reorganisation.

The Government, which was committed to abolition and to the equally controversial move to limit rate rises in a last minute rush to include some local government reform in the general election manifesto, has also insisted that substantial savings can be achieved by abolition.

But after officials warned that earlier vague projections of costs of between £20m and £70m were likely to be serious underestimates, all figures have been dropped. The White Paper dismisses the issue in two sentences: "It is not possible to put a figure on the savings arising from abolition or the transitional costs. These will depend largely on the way in which the transfer of functions is achieved, and on the decisions to be taken by the authorities concerned."

This accounts for some 80 per cent of metropolitan county and GLC functions in cost terms and leaves little for the districts to take over. The lower-tier councils will get planning although in London a new quango will be created, the London Planning Commission, to advise the Secretary of State "on strategic issues." They will also get highways and traffic management, waste regulation and disposal, the residual GLC housing functions, trading standards, support for the arts, sport and historic buildings. Land drainage and flood protection in London, including the Thames Barrier, will pass to the Thames Water Authority.

All of the joint boards will have the power to levy precepts on their constituent authorities. The precepts will be set on a uniform basis and the yield from each authority will be proportional to its rateable value, as now.

Precepting has been criticised over the years because it clouds the accountability of a council's expenditure to its electorate and ratepayers and because it has led to high rate increases.

The joint boards' expenditure will rank for government grant in the same way as councils' budgets now do, with grant being reduced as spending passes central targets. However, the Government implies admission that these grant mechanisms have consistently failed to work effectively by deciding to take control of the new precepts "for the first three years."

One of the most complicated and vexed issues posed by the abolition of the GLC and the metropolitan counties is the distribution of the existing capital debt of the councils and the transfer of their intricate superannuation funds. The latter is exceptionally tricky in the case of the GLC because its pension fund has dozens of smaller funds attached to it.

The paper recognises that an existing problem in London could get worse after abolition of the Greater London Council. Westminster Council and the City of London, which have rateable resources far in excess of any other borough, redistribute some of their wealth to the remaining inner London councils under a complex arrangement known as the Inner London Equalisation Scheme. This will have to be extended to apply to both inner and outer London boroughs to ensure that outer London boroughs are not disadvantaged by the disappearance of the GLC precept.

Although this further distorts the principle of ratepayers electing councillors to provide services which are then paid for by the local tax in the local authority, the Government says the special action is necessary to prevent "a major increase in rates for ratepayers in inner London boroughs, other than those with a very high rateable value per head, and in other local authorities outside London."

It is not clear how this will work in practice and like every other chapter in the White Paper, which Mr Patrick Jenkin, the Environment Secretary, had always said would be "tinged with green" the section closes with a request for views and the promise of a further consultation document.

Officials have found these problems virtually insoluble and are still anxious for "views" which means help, on the technical problems. In principle, the White Paper proposes a quango for both the large GLC debt burden and the council's superannuation fund. But for the metropolitan counties it suggests that one of the district councils in each of the six areas should take on responsibility for the functions.

Whether Birmingham, for example, would be prepared to take over responsibility for all the capital debt incurred by the West Midlands County Council, however, remains unclear.

Streamlining the Cities: Government proposals for reorganising local government in Greater London and the metropolitan counties. Cmnd 9063, HMSO, £3.60.

THE PROPOSED disappearance of the metropolitan councils will enhance the role of the Arts Council in the funding of the arts.

In a consultation paper published yesterday the Government says it will increase central support, provided through the Arts Council, for the National Theatre, the English National Opera, the London Festival Ballet, the London Orchestral Concerts Board, the Hallé Orchestra, the Royal Exchange Theatre, Manchester, the Royal Liverpool Philharmonic Society, Opera North and the City of Birmingham Symphony Orchestra.

The Government suggests museums and art galleries should come under the wing of larger institutions, which would receive extra grants from national funds. The South Bank complex, owned and operated by the GLC, would continue to be administered as a single entity by an independent board of management answerable to the Arts Council.

Patrick Jenkin: he will control authorities' budgets.

PROPOSED ALLOCATION OF SEATS ON JOINT BOARDS

Area	Number of seats
Greater Manchester	
Bolton	3
Bury	2
Manchester	5
Oldham	3
Rochdale	3
Salford	[illegible]
Stockport	3
Tameside	3
Trafford	3
Wigan	3
Total	30
Merseyside	
Knowsley	2
Liverpool	6
St. Helens	2
Sefton	4
Wirral	4
Total	18
South Yorkshire	
Barnsley	2
Doncaster	3
Rotherham	2
Sheffield	5
Total	12
Tyne and Wear	
Gateshead	3
Newcastle	4
N. Tyneside	2
S. Tyneside	2
Sunderland	4
Total	15
West Midlands	
Birmingham	10
Coventry	3
Dudley	3
Sandwell	3
Solihull	2
Walsall	3
Wolverhampton	3
Total	27
West Yorkshire	
Bradford	5
Calderdale	2
Kirklees	4
Leeds	8
Wakefield	3
Total	22

7

The Old Lady finally makes her move

The City had been waiting for the Bank of England to signal an interest rate cut for so long that dealers had almost convinced themselves that the move would be timed for the Conservative Party Conference in Blackpool next week. Such is the cynical nature of the Square Mile. And so when the Bank moved on Monday, it caught the discount and gilt-edged markets dozing at their posts.

It was the Labour Party conference that was in full swing, not the Tory. That aside, the timing looked odd indeed. The Bank had picked a day when sterling was weak all round and by Monday's close of business the pound had dropped 1.3 cents against a dollar that was slipping itself. Still, the half-point cut in base rates was digested in the gilt-edged market with hardly a ripple after the initial surprise.

If the equity market looked lethargic there were pockets of action to be found. Just waiting for the next horror story from Hong Kong was enough to keep some dealers nervous, while gold had a dismal week which inevitably spilled over to depress mining shares further. The red pens were busy on the jobbers' oil pitches, too.

Elsewhere one of the heaviest rumours of the week surrounded London Brick. A lot of stock has been passing through the market and a bid from Hanson Trust is anticipated next week. Hanson, of course, trotted out its usual line of no comment on rumours.

Leaking oil

It has been a harrowing week for anybody sitting on oil stocks. North Sea oil shares have tended to drift since the middle of last month but at the tail end of last week and into the beginning of this, the oil sector came in for a real good shake-out. The FT-Actuaries Oils Index lost 2 per cent in a single day and the partly paid BP shares dipped below 200p issue price for the first time.

The problem as usual is a bout of nerves over the oil price. Demand estimates for the third quarter proved over-optimistic and the refiners and dealers found themselves unintentionally restocking. The International Energy Agency has estimated that third quarter demand was down 1½ per cent compared with the same period last year. The off-take in Western Europe in particular was lower than anticipated.

As those who found themselves sitting on too much black gold tried to get their stocks into balance again the spot price for crude wavered and slipped back. North Sea prices are down by around $1.50 from the peak in early August.

To jangle nerves even further Opec officials started to crack the whip ahead of the full meeting in Vienna later this month. They were making it crystal clear this week that those wayward members who have been breaking their production quotas were in line for some very hard talking. Just a mention of over-production and weaker oil prices was enough to set the alarm bells ringing.

There are two things almost guaranteed to upset the oil market and hence stock market prices: over-production by Opec members, and fears of over-production by Opec members.

However, the shake-out in share prices has probably gone far enough. High stocks are a temporary problem and the imbalance should be cleared by November. Then, so the bulls argue, spot prices should firm as buyers step back into the ring. By yesterday the stock market seemed to have overcome its bout of selling and prices were once again firming. Even so, leading analysts were looking for more gains before the sector was back in line with the reality of the world oil market.

Sunny Sears

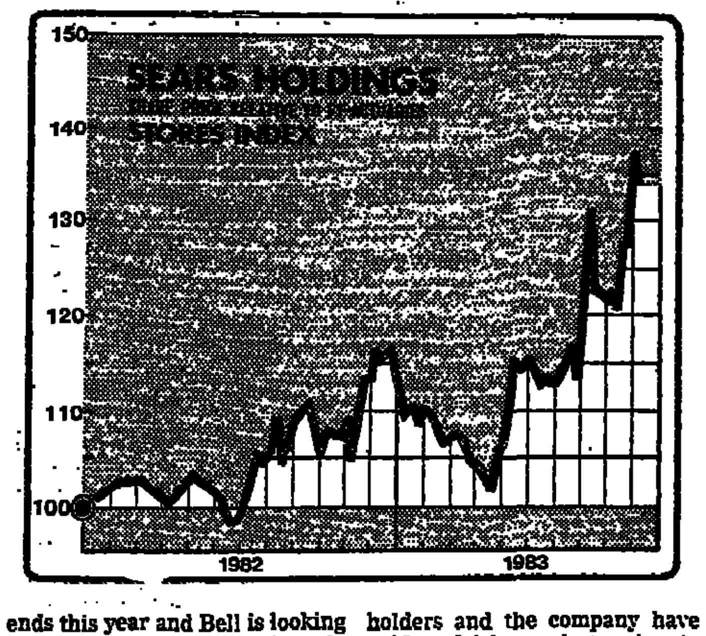
As the chart shows Sears has been one of the favourite of the stores sector since early spring and the price strode ahead from 56p to 78½p before this week's half time figures. Good results were clearly expected and the consensus view was that pre-tax profits might come out £10m higher at £45m. The actual result, profits up 71 per cent to £60.3m, was little short of astounding and the shares rose another 5½p on the news.

Indeed it was the vagaries of the weather which breached the usual seasonal split. The drizzle throughout the early months of summer had shoppers out buying a record number of wellingtons in Sears' footwear chain which includes High Street names such as Dolcis and Saxone. Footwear volume was up around 6 or 7 per cent in UK and Europe and profits jumped from £19.5m to £32.6m in the six months aided by a more than doubled contribution from Butler Shoe in the U.S.

Betting too streaked home lengths ahead with a profit rise of £5.9m to £8.7m. The summer weather upset the form book and the "horses" proved a quicker way to hand money over to bookmakers than usual. Perhaps the horses were wearing all those wellingtons.

With the chief executive, Mr Maitland Smith, talking of a "bright Christmas" ahead for stores the City's analysts were quick to jack-up their forecasts to around £155m, against £113.5m to January 1983.

So there is no slow down at Sears. Over the past five years the group has achieved compound earnings growth of 12 per cent a year, a rate almost twice the level of the stores sector as a whole. Even so a prospective p/e of around 13 on a tax charge of 40 per cent is still at a discount to the stores' average. By the end of this week most observers seemed convinced that the re-rating of Sears had not gone far enough.



Arthur Bell

Even devotees of Arthur Bell would have been hard pushed to find much reason for celebration in its full year figures this week. At the pre-tax line the group is ahead from £27.6m to £31.3m helped by a sharp jump in interest income. It might not be a bad performance given the weakness of the British whisky market where volume fell 5 per cent year on year. Yet the two basic problems of a dull home market and the absence of a significant bridgehead in the States loom as large as ever. Certainly the long standing bears of Bell are not going to be deterred by these figures.

At home Bell has held onto its market share and maybe even inched its margins ahead but still UK whisky revenues are slightly lower for the year. It was the group's export business which underpinned a 20 per cent rise in scotch profits, an achievement which speaks volumes for Bell's marketing expertise.

However the goal of a significant presence in the States seems to be as elusive as ever. Its sales there are relatively insignificant. The current distribution agreement with Pepsico ends this year and Bell is looking for a suitable acquisition. It has piled up cash of around £30m though there can be few U.S. companies in the distribution trade that would fit Bell's needs.

While tying up a distributor in the States is at the top of the priority list the management is faced with an attack from the rear. Distillers is ready to reintroduce Johnnie Walker Red Label into the UK from next month. Bells may profess to be unworried by this development but it has already been knocked out of top selling spot in Scotland by Highland's Famous Grouse and further competition can hardly be welcomed.

No wonder the share price has been drifting since the beginning of the year. And with a lacklustre outlook for 1984, Bell's shares are unlikely to be high on anybody's shopping list this Christmas.

Unloading Thomson

International Thomson Organisation, the publishing, travel and oil production group, managed the placement of 13.4m shares this week with surprisingly little damage to its share price.

The shares dipped briefly below the 650p offer price on Thursday but recovered yesterday to the offer level. They were however 43p down on dealings prior to the placing announcement. Existing shareholders and the company have paid a fairly modest price to meet the Thomson family's aim of broadening the share ownership of the group. The family still retains about 73 per cent however.

This week's share placing operation was novel in two main respects. It coupled the issue of 7m new shares with the sale by the Thomson family of up to a further 7m existing shares. As it turned out they were only called upon to sell 6.4m. It also straddled two markets—London and Toronto.

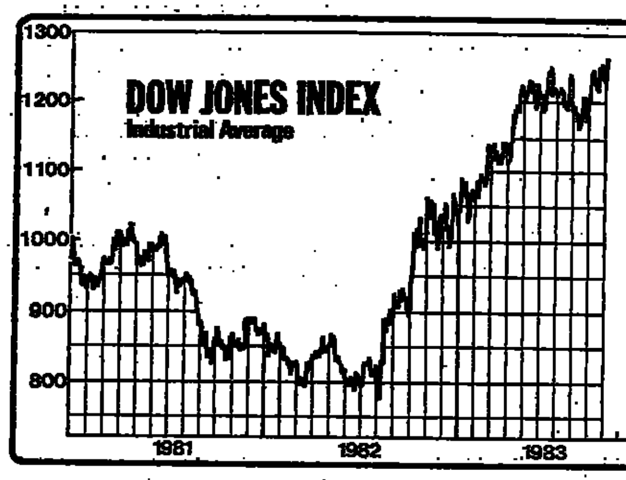
The £45m of new money raised by the deal will come in useful for International Thomson's acquisition programme—currently targeted on American specialist publishers.

But its main aim is to give institutional shareholders a bigger slice of the action. They have complained in the past that there were too few shares around for their scale of trading.

International Thomson has something of an image problem since it moved its headquarters to Toronto from London five years ago although the main market for its shares has remained in London. The group still retains substantial UK interests despite the sale of The Times and the Sunday Times two years ago to Mr Rupert Murdoch. It owns Thomson Holidays and Britannia Airways and has 20 per cent stakes in the Piper and Claymore North Sea oilfields.

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1983 High	1983 Low	
F.T. Ind. Ord. Index	709.8	+ 7.2	740.4	598.4	Wall Street/Sterling influences
F.T. Gold Mines Index	569.7	−11.6	734.7	531.5	Bullion price under $400
Anglo American Gold Inv.	£75¼	− 3¼	£88¾	£68¼	Lower gold price
Bishop's Group A	260	+40	275	80	Awaiting bid news
Cardiff Property	190	+48	190	98	Bid rumours
Cullen's Stores A	195	+17	215	155	Lennons sells 5½% stake
Ellenroad Mill	38	+16	42	11	Land development prospects
First Nat. Fin. Corpn.	62½	+ 7½	66	39	Revived bid speculation
Hambro Life Assur.	434	+30	440	286	Increased interim dividend
Holt Lloyd Intnl.	56	+ 6	59	38	Sharply increased interim profits
Imperial Group	128	+ 9	131	108	Broker's circular
International Thomson Org.	645	−58	717	402	£45m share placing
Jardine Matheson	68	− 8	160	61	Hong Kong market weakness
Johnston Group	250	−75	385	228	First-half profit setback
Kraft Productions	225	+70	285	20	"Shell" operation hopes
Lloyds Bank	463	−32	576	395	Argentine involvement
London Brick	103	+16	105	62	Bid hopes
Molins	105	−17	165	105	Lower profits warning
Pict Petroleum	90	+18	93	42	Exploration hopes
Ultramar	630	−37	705	434	Oil price worries



Encouraging signals

NEW YORK

TERRY DODSWORTH

ONLY A fortnight ago, New York foreign exchange dealers were ruefully licking their wounds after prematurely deciding that it was time to ease the dollar down. But this week they got it right.

By the time the equity market really got the wind in its sails on Thursday, the dollar had been sliding for two days, falling against the D-mark in particular from DM 2.6212 at the beginning of the week to DM 2.5832 in three consecutive trading sessions.

The air has been full of confident predictions of a fall in the dollar for some time, mainly because of the rapidly deteriorating U.S. trade balance.

What the dealers were picking up this week, however, was the widening consensus that the summer interest rate climb is over, with the result that New York's attraction as a haven for footloose international money may be on the wane.

The stock market's gathering confidence, underlined by the third record high for the Dow Jones industrial average — at 1,268.80—in three consecutive weeks, relates directly to the interest rate debate that has been raging all summer.

Wall Street has been looking for signs that the economy is not overheating in the current recovery, and it received a batch of encouraging signals on this front during the week.

The first was the crack in the gold price which pushed bullion below the $400 an ounce level for the first time since August last year. This, said the purveyors of conventional wisdom, indicated investors' belief that there was going to be no big inflationary upswing to hedge against in the months ahead.

At the same time, the combination of softening commodity prices and a set of economic statistics which showed the recovery still in good shape but not too robust kept open the tantalising prospect of a low inflation growth period ahead.

There are plenty of Wall Street gurus who dissent from this view but the optimists had the August index of leading economic indicators to lean on. This showed a 0.1 per cent decline for the month, while car and retail sales figures indicated that consumer demand is still reasonably strong.

With this encouragement from the real economy Wall Street reacted initially by going for solid growth from the blue chip companies but the move broadened during the week with the 1500 share New York Stock Exchange composite index showing an increase of 2.3 per cent over the four trading days to Thursday, compared with 2.8 per cent for the industrial average.

Significantly, the utilities, one of the most interest-rate sensitive sectors, romped ahead again after a strong showing last week, propelling the Dow Jones Utilities Index up to its highest level since 1978.

Another sector demonstrating strong signs of returning vigour was the technology stocks, which fell out of favour in the summer as investors came to the conclusion that some of these go-go companies might be having trouble with their research and development—quite correctly, as results have subsequently shown.

The change of sympathy, however, has been marked by a trend towards the big established groups—and none more than IBM, often regarded as the belwether stock for the whole exchange. After a period in which it was under attack in early September.

IBM had moved up from $117¾ to reach $126¾ at the end of last week's trading. This week it surged forward by another $4¾ to $131½ by Thursday.

Analysts are expecting a strong earnings recovery. E. F. Hutton, for example, is forecasting net profits of $8.90 a share this year against $7.39 in 1982, rising ot $10.25 in 1984, which even after its recent rise leaves the share on a relatively modest prospective price earnings ratio of 12.8.

On the take-over front, the main item was the agreed $82 a share bid for Harris Bank Corporation of Chicago from the Canadian Bank of Montreal.

The move had been well signalled in advance, and the shares had been moving up expectantly, to gain another 2⅝ to $71¼ on the announcement.

They have still stuck at around that level, indicating the market's caution over a bid which will take some time to consummate and will need the good will of the regulatory authorities.

MONDAY	1,231.30	− 1.83
TUESDAY	1,236.69	+ 5.39
WEDNESDAY	1,250.20	+13.51
THURSDAY	1,268.80	+18.60

Bulls, bears and Tanaka

TOKYO

JUREK MARTIN

LIKE THE rest of Japan, the Tokyo stock market has caught a bout of Tanaka fever. The legal prescription for the disease is going to be dispensed next Wednesday, when the verdict on the former Prime Minister in the Lockheed bribery case is to be pronounced.

But it is not so easy to predict the course of the political temperature thereafter and consequent reactions of the market which is at record levels now and, in normal circumstances, would be pushing further ahead.

Probably the predominant school of thought, according to Shigeo Nishiwaki of JiJi Press, who writes the FT's daily market column from here, is that Kabutocho (Tokyo's Wall Street) has already discounted the widely expected guilty verdict and will, after a downward hiccough next Wednesday, resume its relentless assault on the 10,000 peak of the Nikkei-Dow Index.

This is because of the market perception that the government can contain political instability and because so many of the fundamentals are pointing in the right direction.

But there are dissenters to the bullish view. Toshio Yamazaki of the local Merrill Lynch office, for example, believes the market is overbought and overnervous and is extremely sensitive to political uncertainty, which he feels will be considerable.

With an election likely by the end of the year and the circumstances of its calling imponderable, he is advising caution in the short term, which could be defined as anything from one week to a few months.

What worries some people most of all is the admittedly slim chance of Mr Tanaka being acquitted, since this could bring about real political chaos and a complete disruption of economic policy making by the Government. Mr Yamazaki, who thinks there is no chance of an acquittal, does, however, believe that even if he does, the impact on the market will be "negligible to slightly positive."

What the securities industry does agree on, with remarkable unanimity, is that the fundamentals are getting better all the time. In line with Wall Street, from whom it invariably takes its lead, Kabutocho does sense that lower interest rates are on the way.

The most obvious manifestation of this has been the sharp appreciation of the yen against the dollar in the last fortnight —from as low as Y248 to as high at Y232.

This has both general and particular benefits. It has enabled the Bank of Japan and the Finance Ministry to start talking publicly again about cutting the discount rate if the yen's improvement is sustained, thus nudging the economy along a little.

A higher yen should also encourage foreign investors, whose confidence in the Japanese market remains undiminished but whose appetites had been markedly dampened during the yen's slow summer slide.

The economic numbers, except unemployment, are also getting better, if not at the frenetic U.S. pace of improvement. This is particularly true of corporate profits, which are expected to increase rapidly in the second half of the fiscal year, which began this week, and this in turn could have a beneficial impact on what is probably the Japanese economy's most obvious current weak spot—stagnation of capital investment.

Some of the more technical market factors do give food for thought. Margin buying is again at record levels, meaning that some of the hotter recent stocks may be vulnerable: volume has been quite heavy, almost unnaturally so given that, for seasonal reasons, there is normally a shortage of supply of shares around the end of September and the beginning of October.

With the big prudent foreign investors taking a more cautious view, this suggests that the genuinely speculative strain in the market at present is quite virulent.

But this, in turn, brings the wheel round full circle for it is well known in Japan that the stock market is a favourite recourse of politicians (or, to be precise, their benefactors) who need to raise money.

Spouses' property and the court

BY OUR LEGAL STAFF

Is it possible, under English Law, for a couple to get married and at the same time continue to retain their own property and an absolute right to it subsequently? In other words if the marriage in due course should prove to be unsuccessful—neither party would have any legal claim on the other party's property.

There is no way in which this can be done: the English court has complete discretion to override the common law property rights of spouses. They can make express contractual provisions which may give a divorce judge some guidance as to the merits of the appropriate property settlement to order, but they cannot oust the jurisdiction to adjust proprietary rights. If of course property is alienated before marriage, eg by placing it in trust for beneficiaries other than the settler, the court normally will not interfere.

Blind eye to tree roots

The land next door to our house is at present owned by the county council, and hazelnut trees are on the boundary line between the two gardens. I have been in touch with the council, and they have agreed that we could not put a new fence along there (which we need to do) so have cut them down to about one foot from the ground—these will quickly grow again, but they refuse to dig out the roots, and say they may poison them later on. What is my position if they do not do this?

It would seem that your only formal remedy is to cut any part of the trees (including roots) which intrudes across the boundary line. However in practice you may find that a blind eye would be turned if you were to poison or grub up the trees yourself.

Diversion of a footpath

We own some land on which we have obtained planning consent to build a house. Recently quite by chance we discovered that there is an old footpath registered across this part of the land that would go right through the middle of the new house. We gather it is a long job to get a footpath extinguished or diverted. Could you please therefore tell us:

1 What is the procedure that the County Council have to take in order to either "extinguish" or "re-route" a footpath?

2 As it is an offence to obstruct a footpath (however defunct it may have become), would it be *imprudent to get the foundations* dug in the good summer weather, without having received "re-routing" consent?

3. In the event of objections being raised what right of appeal has anyone against a decision by the County Council to refuse an application?

4. Supposing that we had not discovered that a footpath existed upon this property and had gone ahead with the construction of a complete house and garage as passed by the local planning authority, what would be the legal position of both ourselves and the new property?

1. The procedure for diversion of a footpath is set out in Section 119 of the Highways Act 1980 and is the same as for stopping up (closing) a footpath under Section 118. If the order cannot be confirmed as being unopposed it must be submitted to the Secretary of State for the Environment. Hence the likelihood of an extended time-table.

2. A footpath is probably not a *highway* for the purpose of Section 137 of the Highways Act (which imposes a penalty for obstruction of highways). However obstruction of a public footpath is a public nuisance and a court order requiring an obstruction to be removed can be obtained by the council.

3. The decision would be that of the Secretary of State, from whom there is no appeal.

4. The position would still be one where the structure built on the footpath could be the subject of an injunction to remove it. However, if no objection had been taken while building was in progress a diversion order would probably be made.

An account for dividend

I have been granted probate in respect of the will of my late wife, having paid without argument the amount of tax assessed by the CTT Department. Now I have received a demand described as "account for the dividend" in respect of some of her share holdings. Would you please tell me what this demand means, and why it is necessary, seeing that the stock market value at death (as calculated under the prescribed formula) seems—in the nature of the case—to represent the actual value passing at death?

Where shares had gone ex-dividend before your wife's death, her estate comprised not only the shares themselves but also the absolute right to the forthcoming dividend, so there are two things to value: the shareholding and the dividend yet to come. If someone inherits the shares, a measure of income tax *relief in respect of CTT* on accrued dividends etc. may be available under section 430 of the Income and Corporation Taxes Act 1970 (as amended) but not at the basic rate.

Wife's earnings and reliefs

My wife and I would benefit from separate earnings elective for tax, so could you please tell me how higher rate mortgage interest relief and investment income would be treated or allocated, for a mortgage and investments held in joint names?

I am particularly concerned because our incomes vary considerably from year to year, so that in one year I may be paying higher rate tax, and in another my wife.

You will find the following (unwelcome) answer to your question in leaflet IR13, which is obtainable from most tax inspectors' offices.

Certain deductions may be made from your total income before the tax bill is worked out. These include, for example, mortgage interest payments and some annual payments. If the wife's earnings are taxed separately, and these payments are made by the wife, they may be set only against her earnings. They may *not* be set against any other income she may have or any income of her husband.

Similar payments made by the husband *cannot* be set against the wife's earnings.

Remedy for damp wall

Faulty roof guttering on the semi-detached property adjoining mine discharges rainwater which may be causing dampness in the walls of my own property. Though my neighbour acknowledges that his roof guttering is faulty, and has been promising to put it right ever since I brought it to his attention about three years ago—and at six-monthly intervals thereafter — he has not taken any action. Have I any remedy in law?

You have a remedy at law, probably for nuisance and possibly for negligence. You should send a letter before action and then, if necessary, issue proceedings in court, probably the County Court.

A trust for minors

I am the executor and trustee of my late father's estate. After various bequests of his property, the remainder was left to his four great-grandchildren, now aged 12, 11, 10 and eight years old. The exact wording is: "The remainder of my estate upon trust for such of them the respective child or children of my grandchildren Catherine and Leonard as shall be living at the date of death and attain the age of 18 years if more than one as tenants is equal shares."

The remainder of the estate due to them was £14,000, so I put £2,500 in each child's name in the National Investment Account and each year have drawn the interest for the two parents, Catherine and Leonard, to spend on the upkeep of their two children. The children have no other income of their own. The Inland Revenue are now claiming 45 per cent tax on this interest as investment income. Would you please advise me regarding this?

You have fallen into the tax trap which was laid for unskilled trustees by Parliament in 1973 (in sections 16 and 17 of the Finance Act 1973), but fortunately it looks as though the ultimate result will only be that the trust fund makes an interest-free loan to the tax men. As far as we can deduce from the bare facts and figures given, you (as trustee) will soon have to pay over to your local tax collector an amount roughly equivalent to tax at 81? per cent on the total NSB interest received since the accounts were opened. In due course, however, the children's parents will be able to recover all the tax, on behalf of the children, by submitting claims to their local tax inspector. If you care to send us precise figures and dates (including the dates of your payments to the parents), we shall be able to give you a more precise and helpful answer. As you will have realised by now, the law is complex and pretty arbitrary.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Not out of the wood yet

MINING
KENNETH MARSTON

"GETTING a little edgy," warned the heading on this column last week as we discussed the growing signs of impatience in markets for precious and base metals at the lack of the anticipated seasonal pick-up in prices.

This week the edginess has developed into weakness as far as share prices are concerned. Metal prices after tumbling at first have since recovered to end up little the worse on balance, but the markets remain very tender.

Although, as I mentioned last week, the economic indicators are still pointing in the right direction this cuts little ice at the moment. Shareholders thus have to be patient for a while longer and there could be more uneasy weeks ahead.

This applies particularly to South African gold shares where much depends on the country's rains coming in their normal seasonal pattern at about the end of this month. If the drought continues it could eventually reduce supplies of electric power.

This, in turn, could affect gold production and make life difficult for the wet mines that need to maintain a high level of pumping. Some of them are in the Consolidated Gold Fields group and their September quarter earnings reported this week have fallen by an average 16 per cent as a result of increased costs following the July wage increases.

Full power supplies coupled with a sizeable rise in gold prices will be needed if the mines are to avoid a further decline in profits for the current quarter. This is of particular importance to the parent Gold Fields which, for all its diversification into other metals and building construction materials, still relies to a large extent on gold income.

After having badly burned its fingers by diversifying into the U.S. drill rig and steel distribution businesses Gold Fields is now determined to stick to the business it knows, that of a mining finance house.

The U.S. loss-makers were mainly responsible for the 22 per cent fall to £57m in group earnings for the year to June 30. What Mr Rudolph Agnew, the chairman, refers to as the main line businesses did well.

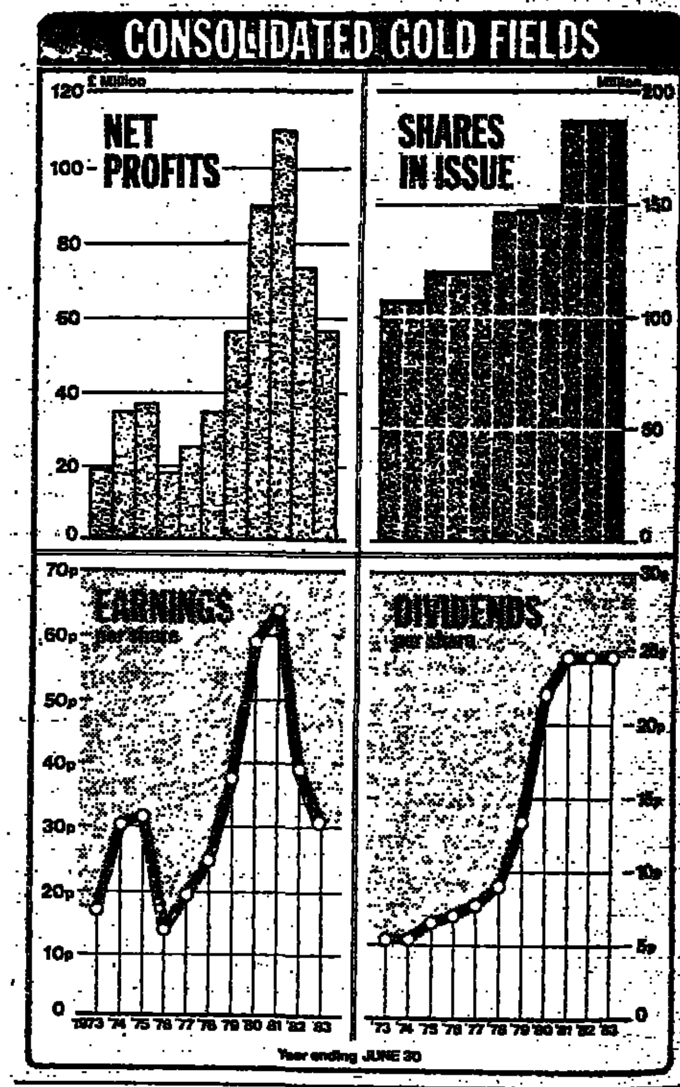
Mining investments, notably in gold, made a record profit of *£95.1m—up 41 per cent on the* previous year—income from construction materials rose 32 per cent to a best-ever £46.5m and sharedealings brought in a good £20.5m.

After a painful pruning process Gold Fields' remaining commercial and industrial businesses are those which are expected to make profits in the current year and the Amey Roadstone construction materials side should again do well.

So Mr Agnew looks for an all-round improvement in the current year to next June providing of course, that gold income keeps up.

In the past year it was a case of touch-and-go as to whether the 24.5p dividend would be maintained and, in the event, this was achieved by paying out as much as 80 per cent of the £57m available profits—and this before providing £87m to cover the losses on the drill rig business.

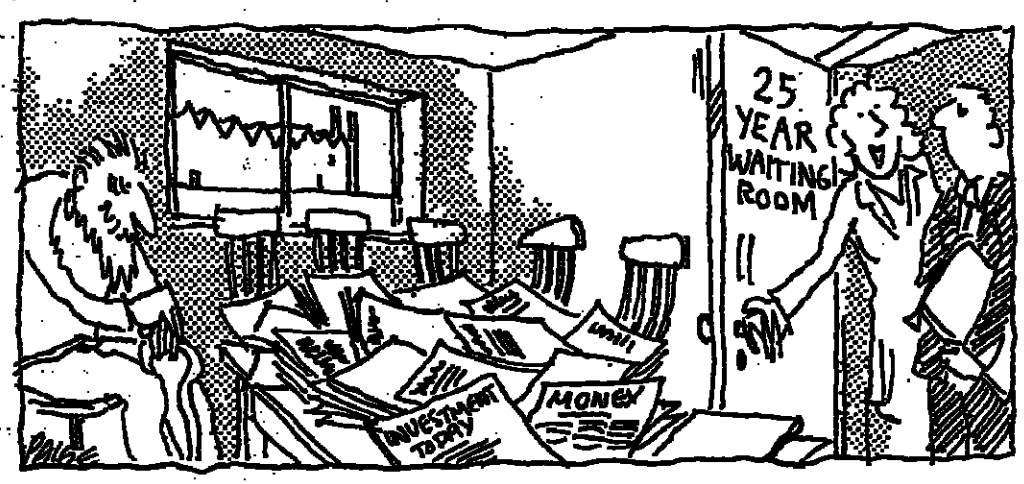
If all goes well Gold Fields should again maintain the dividend. But Mr Agnew wants to see a much better margin of profits over the dividend payout, so hopes of an increase in the payment may have to be put back until the group is in a much stronger financial position.



SAVINGS OFFERS

Clive Wolman reports on a long-term tax-sheltered investment in buildings

Creating a nest egg in your workshop for 2009



THE ATTRACTIONS for the higher-rate taxpayer of the Government's Business Expansion Scheme (BES) launched this year have overshadowed those of a similar but longer-standing scheme, for encouraging investment in industrial buildings.

But a new scheme to be launched later this month will give private investors the chance to tap the Government's Industrial Building Allowances and to receive a guaranteed minimum, and potentially tax-free, rental income from the properties invested in.

Since 1980, full tax relief at the investor's top marginal rate is granted on investments in small industrial workshops and also in larger industrial and commercial buildings in government-designated Enterprise Zones.

The cost of the land is excluded. So a top-rate taxpayer paying 75 per cent tax on his investment income may make a £5,000 investment at a net cost to him of only £1,250. When the investment is cashed in, only capital gains tax (index-linked) has to be paid.

The tax relief is similar to that granted to investments in the new equity of unquoted companies under the BES. But there are several differences:

● There is no £40,000 annual limit on an investment in industrial buildings where tax relief is granted.

● The investment in buildings has to be held for 25 years (compared with only five years under the BES), or until the death of the investor, otherwise the tax relief is clawed back.

● If money is borrowed to make an investment in industrial buildings, the interest payable on the loan or mortgage may be used to offset an income-tax liability on any rental income received. But unlike the tax relief granted on home loans, there is no £30,000 limit on the size of the loan.

Most individual investors, even top-rate taxpayers, are unable to buy a complex of workshops and most would prefer to invest in a spread of properties to diversify risk.

To cater for such clients, the the Colegrave group of leasing brokers and the chartered surveyors, Richard Ellis, joined forces two years ago to offer a spread of managed investments in industrial buildings on a syndicated basis.

The new scheme, to be called the Property Enterprise Trusts—set up by three accountants and a property developer—also aims to offer a spread of managed investments in industrial buildings. The minimum investment is £5,000.

Unlike the Colegrave scheme however, the Property Enterprise Trusts will grant 25-year leases of the properties it purchases only to local authorities. They will in turn sub-let the individual workshops and other facilities.

The local authorities will be obliged to guarantee a minimum rent, which is expected to be about 7 per cent of the value of the investment. Covenants in the leases will also oblige local authorities to undertake repairs and insurance.

Whereas the Colegrave group buys industrial property wholesale and sells it on to its syndicates at a profit, the Property Enterprise Trust will hand over properties to their clients at cost price.

Instead PET will make an initial charge of 7.5 per cent of any money invested with it. This fee is in line with that charged by most of the Business Expansion Scheme managed funds.

Less satisfactory is the annual management fee of 5 per cent of net rental income, although the burden of the property management work is undertaken by the local authority. Colegrave by comparison charges only 1 to 2 per cent of the rent collected. But the PET figure is in line with unit trust charges and less than most BES charges.

Another possible doubt about the scheme is that the local authority is unlikely to maintain the property as adequately as a private firm which has a stake in the reversion after 25 years. This may tend to depress the ultimate selling price of the property.

The PET managers however insist that they will let the properties only to local authorities with good track records. A property audit will be carried out annually by the surveyors, Bernard Thorpe.

The Colegrave syndicates typically invest in only one estate. PET hopes to achieve a wider geographical spread. One difficulty, however, is that it intends to set up a series of trust funds.

Each one will be closed when a specified level of subscriptions has been achieved. The investor will only achieve as much diversification as that of the individual fund.

The first fund will be closed when it receives funds from clients of between £500,000 and £2m. If a lesser figure is achieved, then only two or three properties are likely to be bought. Note also that although the funds are called trusts, they are not unit trusts and are not under the supervision of the Department of Trade and Industry.

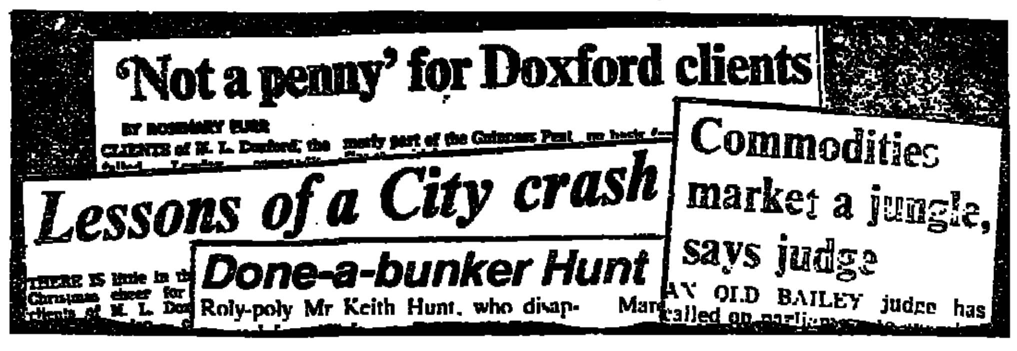
One final qualm. Some of the Colegrave syndicates get round the tax claw-back on sales before 25 years are up by granting long leases which leave them with reversions of minimal value. So far the Inland Revenue has not objected. But if one of PET's larger funds tried the same dodge, the loophole would probably be swiftly closed.

But if you're wealthy enough to be in the top tax brackets and patient enough to hold on for 25 years before receiving the final pay-off, the double tax relief on both the investment and the loan give schemes like PET's unrivalled attractions.

The Property Enterprise Trusts, 56, Wigmore Street, London W1. Tel: 01-486 6994.

TABLE SHOWING RETURNS ON A GROSS INVESTMENT OF £10,000

Tax Rate			50%	55%	60%	75%
Tax Saved			£5,000	£5,500	£6,000	£7,500
Net Cost of Investment			£5,000	£4,500	£4,000	£2,500
	Minimum Rent	Projected Rent	Gross yield on net cost			
	£	£	%	%	%	%
1984	704	725	14.5	16.1	18.1	29.0
1989	704	925	18.5	20.6	23.1	37.0
1994	704	1,180	23.6	26.2	29.5	47.2
1999	704	1,507	30.1	33.5	37.7	60.3
2004	704	1,923	38.5	42.7	48.1	76.9
2009	704	2,455	49.1	54.6	61.4	98.2



The most recent commodity fund scandals which have made insurance necessary.

Your ace against the knaves

A NEW METHOD of providing protection for investors in commodity funds was unveiled this week.

Broad Court Investment Management announced that its managed commodity fund will include an insurance policy for all clients to cover any losses suffered as a result of fraud, default or dishonesty by the brokers, managers or directors of the company. Under the scheme Broad Court has taken out an overall policy covering all its clients with London insurance brokers, Lowndes Lambert (UK), part of the Hill Samuel group.

The premium for the cover is debited from clients' accounts on a monthly basis and is calculated at 1 per cent per annum of the total value of the investment at the previous month.

For example if the client's initial investment of £5,000 was worth £6,000 at the end of the month, the premium paid would be 1/12th of £60, ie £5. But in addition a small additional premium of 10 per cent (£0.50) would be added to cover potential unrealised profits made during the following month to ensure that the investor is fully covered.

Broad Court claims it is the only commodity fund offering this kind of protection, which it believes will set a trend for other similar funds. Many investors have become increasingly wary of commodity funds following a series of scandals, including that of the disappearing Mr Keith Hunt.

The idea of an insurance policy to provide protection is not new. It is one of the ideas being investigated for the proposed compensation schemes planned by the London Metal Exchange and the other futures exchanges.

But Broad Court is the first to put it into practical form in a fund. What it effectively does is to transfer the vetting of the honesty of the fund promoters and managers from the investor to the insurance company at a relatively low cost.

It is likely to set a trend, since many of the other forms of protection incorporated in existing commodity funds are of dubious value.

However, it must be stressed that the insurance policy does not protect investors from suffering losses in what is essentially a high risk area. Trading in futures markets, on margin, can result in heavy losses as well as above average profits.

Broad Court says it has a very conservative gearing figure of only 3 to 3.5 times the available capital compared with the 10 to 1 margin deposit required.

This means that the short-term rewards are limited, but so are the potential losses. The fund has been operational since December last year.

A review of the performance of futures funds in September, based on figures in the October issues of Futures Magazine and Money Management, shows that since January this year only 15 of the 57 U.S. funds are showing a profit and 11 of the 25 UK funds.

Broad Court says it is 18.68 per cent up on the past nine months, ranking it eighth best performer among UK funds and fifth compared with U.S. funds.

The Broad Court trading system is based on a research programme over 10 years developed by Dr Henry Southworth at Birmingham University. It relies entirely for buying and selling instructions on the computer programme.

At present the fund deals in only 11 London futures markets—six base metals (no precious metals) and the rest spread across the "soft" (non-metal) and financial futures.

The minimum required stake is only £2,000 and like most funds the investor's liability is limited to the amount invested. However, investors are credited with bank interest on all funds deposited, including those put on margin with brokers.

A management fee of 30 per cent per annum is charged monthly, as well as a performance fee of 15 per cent charged on net profits on a peak to peak basis. There are no charges for coming into or withdrawing from the fund.

John Edwards

BUSINESS EXPANSION SCHEME

Fund managers lower charges

THE SECOND wave of managed funds designed to exploit the tax reliefs under the Business Expansion Scheme are imposing more modest charges than their predecessors which were launched over the summer. They are also creating fewer conflicts of interest for their managers.

The funds are designed to allow investors to obtain full tax relief at their top marginal rate on the purchase of newly-issued equity in unquoted companies and yet to give them a stake in a spread of companies whose prospects have been carefully investigated.

The most unsatisfactory element in most of the charging structures of the earlier funds was the managers' unfettered right to negotiate share options for themselves in the companies into which they were putting their clients' money.

Thus the greater the equity the companies were obliged to concede to the managers, the less they would be willing to concede to the clients of the funds.

These funds also reserved the right to charge companies in which they were investing arrangement and consultancy fees of undisclosed amounts, creating a similar conflict of interest. One fund is reported to be charging £25,000 to each company.

The British Linen Bank, the Edinburgh merchant banking subsidiary of the Bank of Scotland, has set up a fund called the Melville Fund which meets some of these criticisms. After a shortfall in subscriptions, the managers have extended the closing date until next weekend.

The Melville fund managers state in the prospectus that they will not be taking any options. The prospectus allows them to charge the target companies an arrangement fee—but they insist they will be doing this only if other institutions investing at the same time also charge a fee.

This is the policy they have been following with their two other funds which invest in unquoted companies, Melville Street Investments, whose clients are institutions, and the Creative Capital Fund.

A look at the charging structures of two of the latest managed funds investing in unquoted companies

This was set up last year for higher-rate taxpayers under the government's business start-up scheme, which has now been superseded by the BES.

The Melville Fund is making an initial charge of 7 per cent of the money investors put with it, which is in line with charges by other funds. It is also taking the interest earned on that money until it is invested.

Less than half the money is likely to be invested before the end of the current tax year, although tax relief is available only when the money is invested. However the managers say they require this length of time in order to find the best investment propositions.

The Minster Trust, a City issuing house, launched another BES fund on Thursday with a much lower initial charge of only 4 per cent. But it will be taking options in its target companies and charging them an arrangement fee and an annual monitoring and consultancy fee. Such charges serve to increase the effective costs to investors.

However the options for shares will be limited to 20 per cent of the number of shares held in any company by the fund.

Thus the scope for the managers to increase their own remuneration at the expense of their clients is limited.

Also the arrangement fees and annual fees charged to the company is disclosed, for once—and set at only £5,000 each.

Applications should be received by the end of November and all the money should be invested by the end of the current tax year, the managers say.

Clive Wolman

INVESTING IN RETIREMENT

Balancing act for OAPs

The introduction to a series based on real-life examples of retired people

MANY PEOPLE feel wealthier in the first couple of years of retirement than at any other stage of their lives. They come down from two cars to one, move from a larger to a smaller house, pay off their mortgages, and find overheads considerably reduced.

These are circumstances which financial adviser Stephen Lansdown has come across repeatedly with retired clients.

"It's unfortunate," he says, "that many of them put all their capital into maximum income areas like high coupon gilts and building societies. Often they can look forward to 20 years of retirement, so to take the maximum income today is foolhardy."

Stephen Lansdown's views are a good introduction to the case studies on which this series of articles is based. Three intermediaries contributed: — Hargreaves Lansdown, financial planners specialising in unit trusts; insurance brokers Chase de Vere and WestAvon Securities, which offer a range of personal finance services including traditional discreptionary portfolio management.

Apart from showing the range of objectives common to the retired investor, the studies also form a mini-survey of financial planning services on offer, their likely cost and a guide to choosing the right adviser.

The demands of the retired investor are uncomplicated. The most important is that there should be a source of income which is adequate—whether as a small top-up or a major supplement to the pension. The income should be rereceived regularly—monthly is ideal, and should grow in line with inflation.

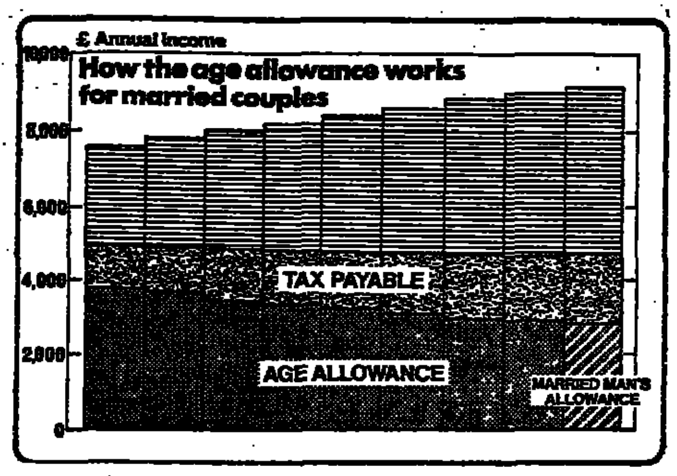
Tax-efficiency is the second most urgent requirement. A married couple with a joint income of £7,600 will qualify for the full age allowance of £3,755, and pay a total of £1,1530.50 in tax.

With incomes over £7,600, the age allowance is reduced by two-thirds of the additional amount. So if the same couple's income goes up to £9,000 they will lose age allowance equivalent to two-thirds of the extra £1,400, ie £933.

Their age allowance will be reduced to £2,822 (£3,755 less £935) and they will end up paying a total of £1,853.40 in tax—an extra £700, or an effective marginal rate of 50 per cent on the additional £1,400 income.

Once joint income reaches £9,040, age allowance is lost completely, and is replaced by the married man's allowance of £2,795. Not every couple feels able to live on £7,600 after a much higher level of income before retirement, so the age allowance tends to be one of the first benefits to go.

It isn't usually too hard to avoid investment income simply by keeping total investment income below the £7,100 exempt limit. A useful way of taking the pressure off investment income is by using tax-free investments such as National Savings Certificates and guaranteed income bonds (where the return is free of basic rate tax).



Regular realisations of small amounts of capital can also be used to generate "income" within the annual £5,300 capital gains tax exemption. Retaining a mortgage to boost tax relief and using qualifying life policies where premium relief is available are two further devices.

Probably the biggest conflict in retirement planning is between preserving a capital sum to provide for the future and draining off income for present needs. Investment for the pensioner is likely to be concentrated in the safer areas, and many older investors welcome a simple set of arrangements which remove from them the worries of day-to-day management.

But it is always best to keep the portfolio as flexible as possible. People change their minds and their circumstances dramatically over a few years, and regular reviews are important.

Two of our advisers mentioned the various pension options, in both occupational and self-employed schemes, which the retiring investor can make use of. The commutation option on a company scheme can be used to produce a lump sum and reduce pension income to take the investor into a lower tax band.

If the scheme offers its pensioners guaranteed increases, or if the trustees have, historically, made regular revisions at their discretion, it is not worth swapping such benefits for full commutation.

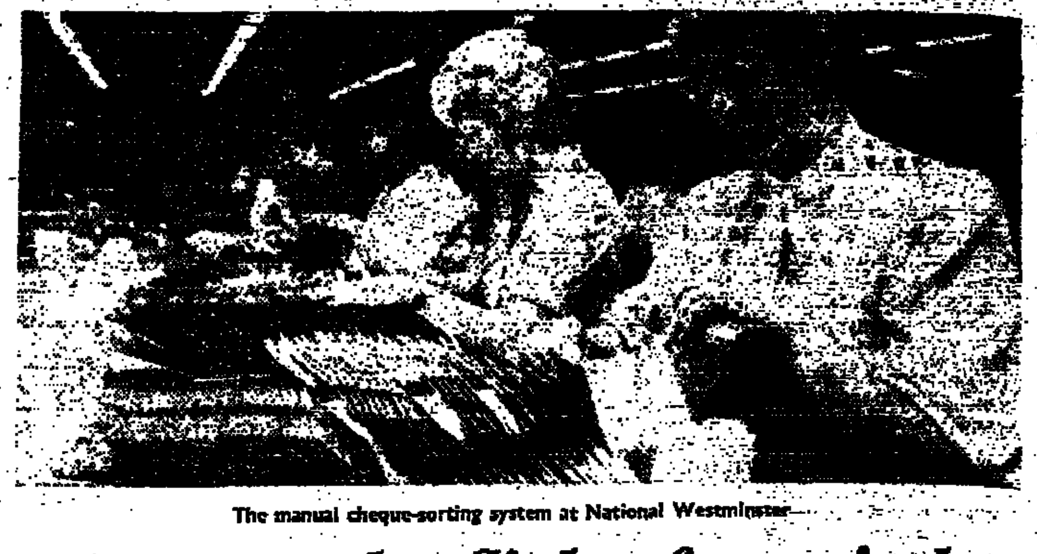
If, however, the chances of an increase in pension are remote, and benefits to the surviving spouse would be radically reduced on the death of the pensioner, he could consider swapping a lower initial pension for a lump sum which can then be put into a growth medium to provide for later years.

Open market options on personal pensions were another feature which was regarded as underused. One adviser quoted a case where an "excellent" capital sum had been built up through one company, who were offering a pension of £7,999.

By shopping around, a pension of £8,896 was eventually achieved through another company. A single premium pension payment can be made, mopping up unused tax relief back over six years.

If the investor is over 60, he can retire the following day, taking the maximum free capital and a pension which will boost earned income in retirement (as opposed to unearned income had the lump sum been been invested), and will give a return on capital which could amount to more than 20 per cent.

Christine Stopp



The manual cheque-sorting system at National Westminster

Home at the flick of a switch

WILLIAM DAWKINS discusses the changes bank customers can expect from the automated payment clearing system due in February

WHEN BRITAIN'S 13 clearing banks move over to electronic credit clearance for amounts over £10,000 next February, housebuyers can expect immediate relief from those agonising delays over completion.

The system, known as Chaps (Clearing House Automated Payments System) will allow large amounts of money to be transferred all over the country within seconds and without the use of cheques.

The efficiencies and savings in time it will bring also hold out the prospect of a reduction in the present £10,000 limit for same day clearing. What is now an arrangement chiefly for the use of companies will assist anybody who makes a large purchase and wants to avoid a timesome wait for a cheque to be cleared by post.

That means you can pick up your new Porsche from the dealer on the very day you decide to buy it. And there should be no more frustrating hold-ups in the purchase of a house while you wait for cheques to be cleared at solicitors' offices along whatever chain you happen to be stuck in.

Instead of chasing an unavailable bank manager to check that your payment has been cleared, your solicitor will simply have to flick a switch on his desk top computer terminal—so long as it is connected to the local branch of a clearing bank—to receive almost instant notification as soon as your money has passed through Chaps.

Anybody who has driven miles with a furniture van full of chattels and children to his new home, only to be refused entry because of a delay in payment clearance, will appreciate the reform.

"Electronically, it will make no difference whether the payment started in Liverpool and ended in Bournemouth or went from one road in the City to another road in the City. It will still take seconds," says Mr Eric Simmonds, Chaps project manager for the Committee of London Clearing Banks.

The present, manually operated, system, known as Town Clearing, only allows same day payments within the confines of the City of London. Payments are literally walked from office to office by messengers carry satchels loaded with paper. Funds are also transported via telegraphic transfer which involves mounds of paperwork that Chaps would render unnecessary.

In this way, some £20bn a day flows between the clearing banks and the Bank of England in an estimated 15,000 to 20,000 transactions.

Chaps will allow companies to plug into the system, and indirectly into one another, via any local branch of their clearing banks. Non-clearing banks may also sign on with Chaps, if they can iron out their current differences over the timing of same day settlements.

That does not mean, however, that the messengers will disappear instantly. Town Clearing and Chaps will operate alongside one another for several years before the conventional system disappears.

The banking community is divided over how long this will take, and how long it will be before any reduction in costs created by Chaps will allow the banks to cut the present £10 to £15 charge for transferring large sums via Town Clearing.

Mr Philip Ethelstone, deputy head of corporate cash management for Barclays Bank, points out that the clearing banks will have to recoup the £135m which they have invested in Chaps, according to one estimate, before they can consider reducing credit transfer charges.

"In some respects, Chaps will be more expensive than wearing out shoe leather walking payments round the City of London," he claims. In any case, most banks have developed or are in the process of developing sophisticated internal computer systems which already allow express payments between their own branches.

The impact of Chaps, however, is hard to predict accurately, because it is radically different from its nearest equivalent in New York, knowns as Chips, or the Clearing House Interbank Payments System.

Chips processes around $185bn a day. It is based on a single central computer, which can only connect with a limited range of terminals, while Chaps depends on eight computers, or so-called gateways, which are driven by software designed to be as useful to the finance director of Shell as your local Porsche dealer.

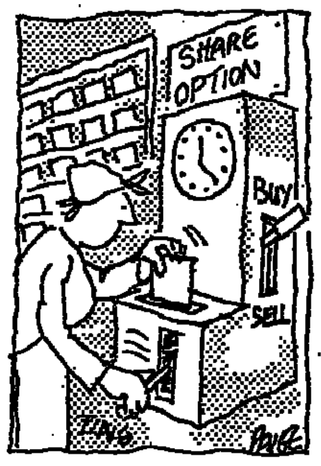
Chaps' flexibility means that it can easily be designed to handle multi-currency transactions, although it is not so adaptable as to be able to process the large volumes of small transactions that would be needed if it were to become a home banking service.

In the longer term, Chaps might persuade provincial-based companies to shut down the expensive City offices they used to achieve same-day payment and stockbrokers, too, might be encouraged to move out of town.

However, a similar service for personal bank customers seems much further off. The banks have ben unable to agree how to share the costs of the computers needed to make it work. But there have been one or two individual approaches, like the Homelink service recently introduced by the Nottingham Building Society in conjunction with the Bank of Scotland, which offers electronic banking, shopping and access to Prestel—at least for those prepared to make the qualifying £1,000 deposit with the Nottingham.

EMPLOYEE SHARE OPTIONS

Investing begins at work



YOU MAY need to look no further than your company's noticeboard to find an investment which offers the prospect of substantial capital gains while also, if made during the next three weeks, guaranteeing a tax-free annual return of more than 10 per cent.

Introduced by the 1980 Finance Act, the Approved Savings-Related Share Option Scheme gives employees the opportunity to take up options over shares in their companies. The company may insist that you work for it for at least five years before joining, but otherwise the scheme must be open to all full-time employees.

The option costs the employee nothing and will give him the right to acquire shares in the company in either five or seven years time at his choice. The price per share is fixed when the option is granted and will usually be the market price when the option is granted.

The scheme is "approved" because it can only be set up with the approval of the Inland Revenue. It is "savings-related" because every participant must enter into a special form of savings contract with either the Department of National Savings or a building society.

The contract provides for monthly payments of between £10 and £50. The employee makes these payments for five years, a total of 60 contributions. He can then withdraw his investment together with a bonus of 18 monthly contributions, equivalent to a compound annual return of 10.43 per cent.

Alternatively, he can leave his money in for another two years. Then he gets a bonus of 36 contributions and a compound rate of 10.64 per cent.

These returns are tax-free and are significantly higher than those available on other National Savings contracts. But after November 1 they are to be brought down into line.

The bonuses then will be 14 contributions after five years and 28 after seven years producing compound annual rates of 8.3 per cent and 8.62 per cent. But employees who take out a contract before November 1 will get the benefit of the higher rates.

If the employee exercises the option, he should pay for the shares out of the proceeds of the savings contract. He may take an option only for as many shares as those proceeds will buy.

At the end of the five or seven year period, the employee has to decide whether to exercise the option. This should be a relatively straightforward decision to make. If the share price is below the price specified in the option, he will let the option lapse and simply pocket the savings contract proceeds.

If on the other hand, the share price is above the option price the employee should exercise the option. If he needs the money, or is pessimistic about his company's prospects, he can sell the shares and make an immediate gain. Alternatively, he can hold on to some or all of the shares, paying for them out of the savings contract proceeds.

Normally, when an employee sells shares given to him by his company, any profit which he makes is treated as an addition to his salary and is taxed as earned income at a marginal rate of up to 60 per cent.

But any profit made on shares acquired under an approved scheme is subject only to capital gains tax, chargeable at a flat rate of 30 per cent after allowing for the annual exemption of £5,300 and ignoring purely inflationary gains.

The combination of the healthy savings contract return and the favourable tax treatment makes the scheme a highly attractive investment package. So attractive that some companies have tried to set up schemes which discriminate in favour of directors and higher paid employees or even limit participation to them.

Normally, this would not be allowed. But it can be done by exploiting a loop-hole in the legislation.

A company may be set up whose sole purpose is to employ those employees of the original company whom the directors wish to be included in the scheme. The Inland Revenue acknowledges that the loop-hole exists, but points out that companies which exploit it are flouting "the democratic spirit in which the legislation was enacted."

But the present individual limits make such deviousness hardly worthwhile. An individual who saves the monthly maximum of £50 and leaves his money in for seven years will end up with the grand sum of £4,800, hardly enough to whet the appetites of senior management.

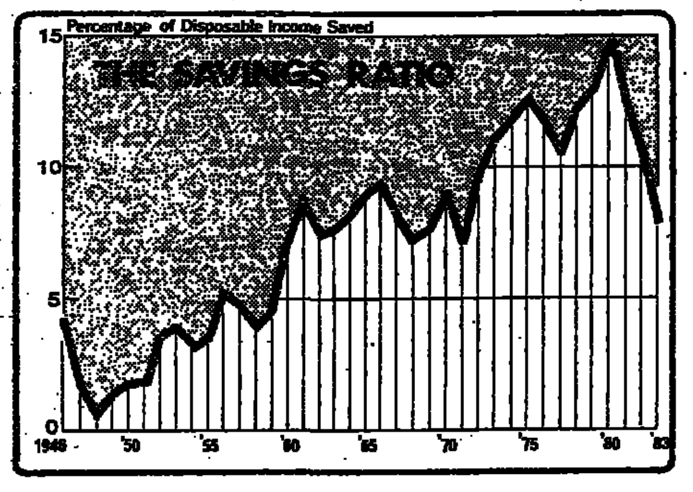
This year's Finance Bill would have increased the monthly limit to £75 and the overall maximum to £7,200. The same clause would also have enabled the Revenue to withhold approval from discriminatory schemes.

In the event, these provisions were not included in either of this year's Finance Acts but the Government has promised to consider further action in 1984.

David Cohen

Maggie may be right

MARY ANN SIEGHART on why the British are saving less at a time of high rewards for thrift



THE BRITISH public may have become more conservative in its politics, but it certainly hasn't taken Mrs Thatcher exhortations of thrift to heart. Figures released last week show that the savings ratio—net personal savings as a percentage of disposable income—has fallen to its lowest level since 1971.

Figures published by the Central Statistical Office disclose that real disposable income has hardly changed in two years. But the percentage which goes into savings has fallen consistently since 1980.

Where has this "spend, spend, spend" mentality come from? On a long-term view, a savings ratio of 8 per cent is not absurdly low.

As the chart shows, the ratio hovered around that figure for most of the 1960s and only picked up in the early seventies with the advent of double-digit inflation.

From one point of view, it seems rather odd that with tiny, or even negative, real interest rates, people should want to save more. In the U.S., for instance, there is usually a spate of pre-emptive buying when a bout of inflation starts. Why save when the value of your savings is being eroded and why not buy things now before their prices rise?

Such thinking may be logical, but does not appeal to the average Briton. He is more concerned with maintaining the real value of his nest-egg, so he has to save *more* in inflationary times. There may also be a hint of precautionary saving—high inflation may mean "bad times"

So the fact that inflation is now historically low must have had some effect. You need to put away less each month to keep the real value of your savings intact.

But there are other factors, too. Now that the great labour shake-out seems largely to have passed, there is less need to save for a possible redundancy; and maybe the unemployed have had to run down their savings. The abolition of hire purchase controls last summer seems to have boosted spending, particularly on consumer durables. That, though, will probably only have had a one-off effect on the pattern of spending.

Perhaps the most interesting feature of the decline in the savings ratio is that it reflects as much an increase in borrowing, particularly through mortgages, as a fall in saving. Current real interest rates, probably the highest they have been for 50 years, have not deterred consumers although, unlike in the 1970s, they will not experience the pleasant feeling of seeing their debts drastically eroded by inflation. In fact the lack of savings, and the large demand to borrow money may have helped to keep up interest rates

What does all this mean for the ordinary saver? If you have money to save, now is probably the time to lock it away. Building societies have been raising their interest rates in order to attract deposits, so the real rate of return on your money will be higher than it has been since the 1930s.

If, on the other hand, you need to accumulate a specific amount to buy, say, a car then you can save less—or save for a shorter period.

However, if you can avoid borrowing, particularly on hire purchase or by the use of credit cards, then do so. It might be worth waiting a little longer before replacing your washing machine, your older furniture—or trading up the housing market. By next year interest rates may be lower, inflation higher, or both.

Tracking down a Lloyd's agent

JOHN MOORE continues his insurance series by looking at the financial advice on offer to names at Lloyd's

POTENTIAL MEMBERS of the Lloyd's insurance market need a range of good advice and connections if they are to gain admission to the community and maximise the returns on their investment.

To gain admission to Lloyd's, a potential member needs to make contact with an underwriting agent approved by the Lloyd's authorities. An underwriting agent is the most important link between an underwriting member and the investment that the member is making in Lloyd's.

There are two categories of agent. A members' agent acts in all respects for the underwriting member except in the management of an underwriting syndicate into which Lloyd's members are grouped.

A managing agent, who may also be a member's agent, manages the syndicates, and appoints the active underwriter—the professional who accepts business on behalf of the members forming the syndicate.

A list of underwriting agents is not published by Lloyd's, but the Membership Department at Lloyd's can confirm to potential candidates whether a specific firm or company is on the list of agents.

The agent is responsible for introducing members to Lloyd's and steering them through the admission procedures. The difficulty for aspiring underwriting members is finding not only an agent but an agent whose members have a successful track record.

Inevitably, it depends largely on who the would-be member knows. Cocktail party introductions through friends already at Lloyd's to an underwriting agent can help the potential member.

Another route is through an accountant who has access to Lloyd's, and who might be able to effect the necessary introduction to an agent. Large firms of accountants with links with Lloyd's and Lloyd's audits include Ernst & Whinney, Spicer & Pegler, and Neville Russell. Once the hurdle of finding an agent—and particularly a good agent—has been surmounted everything else should be plain sailing.

A number of financial groups have developed investment services to cater for the needs of the Lloyd's underwriting member.

Investment management services are provided by Charterhouse Japhet. In addition to investment management, it issues bank guarantees at a commission of 1 per cent per annum which can be used to satisfy the Lloyd's means test requirements.

Other groups such as Arbuthnot Management Services and Duncan Lawrie provide similar services. Most of these outside groups design their portfolio management services to ensure that the investments are acceptable for the underwriting requirements of Lloyd's.

A number of insurance companies, such as the Scottish Equitable, offer insurance-linked guarantees to cover the required premium income deposits of Lloyd's members.

Among the specialists operating at Lloyd's, Kingsley Carritt and Company and Holman Wade have established themselves as leading specialists in personal stop-loss insurance, an insurance scheme whereby Lloyd's members can take steps to protect themselves against the unlimited losses which may fall on them in the course of their Lloyd's career.

Holman Wade has been energetic in promoting an estate protection plan for members, which can provide unlimited cover against losses.

In this way his estate is protected against losses which might arise on his underwriting account after his death. Lloyd's members are liable for all losses for three years after they leave Lloyd's or die.

● *Next week: is Lloyd's a good investment?*

U.K. CONVERTIBLE STOCK 8/10/83

Statistics provided by DATASTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates§	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Conv¶	Income Div**	Cheap (+) Dear (−)◇ Current
British Land 12pc Cv. 2002	9.60	280.00	333.3	80-91	4.3	1.3	1.2	− 4 to 8	44.0	58.5	5.2	+ 4.0
Hanson Trust 9½pc Cv. 01-06	81.54	224.00	107.1	85-01	4.4	1.7	−4.5	− 6 to 11	47.2	71.7	−32.2	−27.6
Slough Estates 10pc Cv. 87-90	5.03	238.00	234.4	78-84	4.3		−7.7	−12 to −1	6.5	4.9	− 0.6	− 7.0
Slough Estates 8pc Cv. 91-94	24.72	113.00	97.5	80-88	7.2	6.2	5.4	−38 to 14	21.2	26.3	6.6	+ 1.2

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ** This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness. ⊕ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

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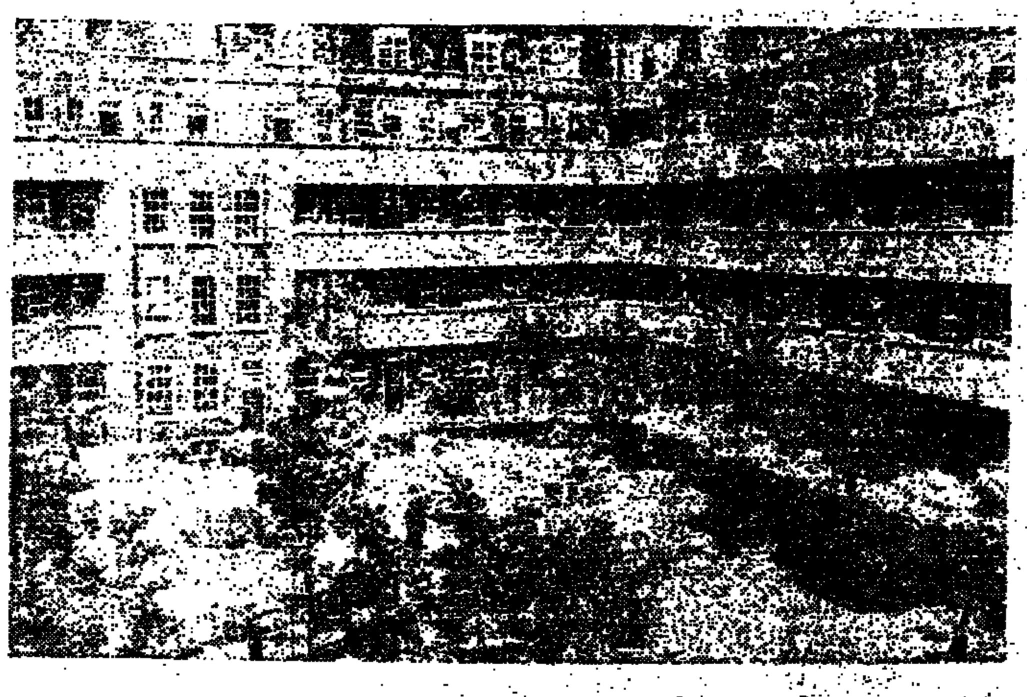
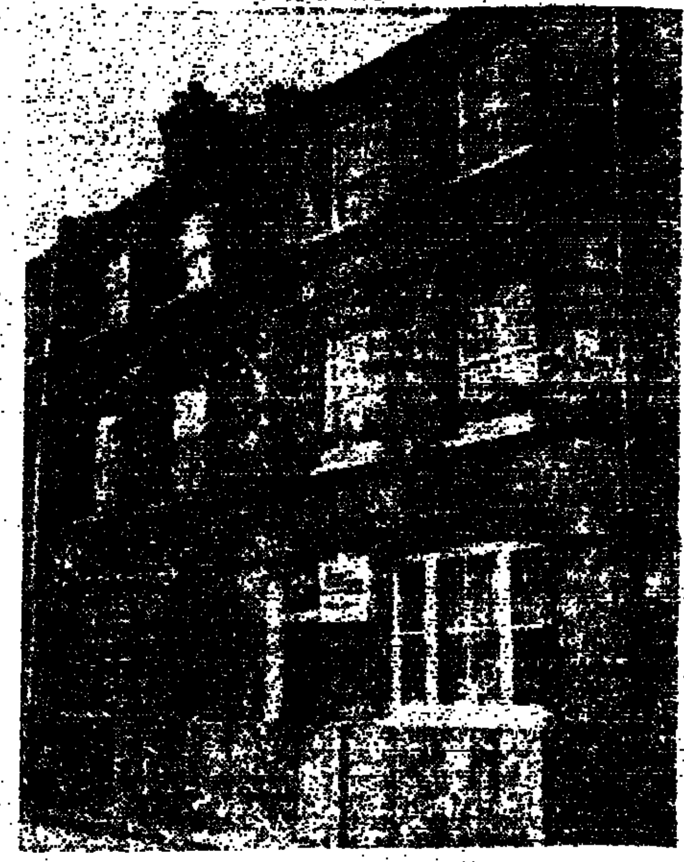
Homes and the power game in Battersea

BY JUNE FIELD





ABOVE: Battersea Village, apartments by the river in Vicarage Crescent, London, S.W.11, where some run-down 1930 blocks have been rehabilitated by architects Stefan Zins for Regalian Properties. Two and three room flats are from £33,000. Details David Goldstone, Regalian, 44 Grosvenor Hill, London, W.1. (01-493 9631).

RIGHT: Abbey National Building Society showhouse just opened at 223, Queenstown Road, Battersea, shows what can be done to rejuvenate a crumbling three storey Victorian house with the aid of grants and mortgage money. Open 10-4 this weekend, and normally 9-5 weekdays. Full details from David Thompson, Abbey National, 24/26 St. John's Road, London, S.W.11 (01-223 6933).

THAMESSIDE BATTERSEA is best known for its power station, designed in 1932 by Sir Giles Gilbert Scott, its Dogs' Home, opened in 1871, and at one time the funny smell from Garton's glucose works.

Today, in spite of its tatty High Street, this corner of 19th century London on the south bank of the river, retains an unusual mixture of charm and bravado. The small flats and houses, in stockbrick or painted stucco with pitched slate roofs, set in narrow cobbled alleys, provide a village atmosphere.

Off Battersea Bridge Road, with a 400-metre river frontage overlooking Chelsea Bridge, Wates is building apartments, maisonettes and town houses on Morgan's Walk, a pleasing courtyard complex called after the three brothers Octavius, Septimus and Walter Morgan, who founded the Patent Plumbago Crucible Company on site in the mid-1850s.

Octavius became Battersea's first MP, Septimus, a pioneer explorer of Madagascar (in pursuit of plumbago or graphite for use in making crucibles), and Walter, Lord Mayor of London. Another brother, Thomas, owned the 1882 St Leger winner Hawthornden.

The site has had its traumas over the years, with the Battersea Residents' Action Group opposing earlier schemes for high-rise luxury apartments. Even though Wates has chosen a more sensitive low-rise approach, the group recently staged a protest outside, with placards saying "Down with luxury flats."

The company contends that while some of the group's claims and sentiments are laudable, they feel they would be better addressed to local councillors.

Bill Gair, managing director of Wates Built Homes, says: "Wates cannot help them fulfil their ambitions—we are only the developers of the site, not the policy makers for the borough or the planners"

Wates talks of the site as "London's new riverside Eden" and, of course, paradise does not come cheap. Prices, which began around £60,000 off-plan, are now £92,000 to around £155,000 including a garage, plus major appliances and an electronic security system. Most units have a terrace where one can look across the Thames to Chelsea.

My first view of the proposed development early this year was from above, in a mobile crane-lift which swung high out over the almost empty site by the river bank, but the quality of the accommodation could be judged even then by the two show apartments open 10-6.

For a leaflet with a little map, contact Wates' new marketing director, William Bromwich, Wates, 1260 London Road, Norbury, London, SW16.

There is special help for those trying to cope with a substandard house, whether they are living in one already as an owner, or as a tenant able to buy, or are in the market to buy a vacant possession old house and do it up.

The Abbey National Building Society, working with Wandsworth Council, recently bought a 100-year-old three-storey terrace house at 223, Queenstown Road, Battersea, part of a newly declared housing action area.

The place cost £30,000, plus a further £40,000 to put in proper order and convert into three flats. The result can be seen as a permanent showhouse.

The idea is that the Abbey National help with the mortgage, and the council with improvement grants. Full details of the scheme either at the house, or contact David Thompson, manager, Abbey National, 24/26, St John's Road, SW11 (01-223 6933). There is a useful leaflet showing before and after photographs.

Battersea is gradually becoming what one estate agent refers to as "a good place for a prudent young London business person to buy in. No longer is there a need to move to the outer extremities of Clapham and other peripheries when Battersea offers an attractive home within reach of the office and at a reasonably modest cost."

The complex that sparked off the comment was the St John's Estate, built 1931-34 by W. J. Dresden. "Tall blocks crowding out the scale of the old buildings" was how one historian dismissed the drab council estate, even though there are views of the river. Here, rehabilitation rather than complete building from scratch, has kept selling costs down.

Welsh solicitor David Goldstone's Regalian Properties (it bought Land's End last year for £2.25m), acquired the deserted estate with its 270 homes in five blocks from Wandsworth borough in mid-1981.

Internal refurbishment of the largest block, Archer House, had been started by the council, but some of the others were in a bad state. There was water penetration and the after-effects of vandalism. But the architectural character of the buildings, and the quality of the spaces between them gave an opportunity "to create the significant environment transformation necessary to adapt a municipal housing estate into homes for owner-occupation," says Michael Hoad, partner in Stefan Zins Associates, architects who carried out the transformation of the down-at-heel development into Battersea Village.

David Goldstone quotes current weekly outgoings for a two-bedroom flat as £9.91; that is estimated rates of £4.03, service charge for porterage, refuse removal, upkeep and maintenance of the buildings and gardens £5.38, with 50p for and ground rent. Heating and mortgage costs need to be added.

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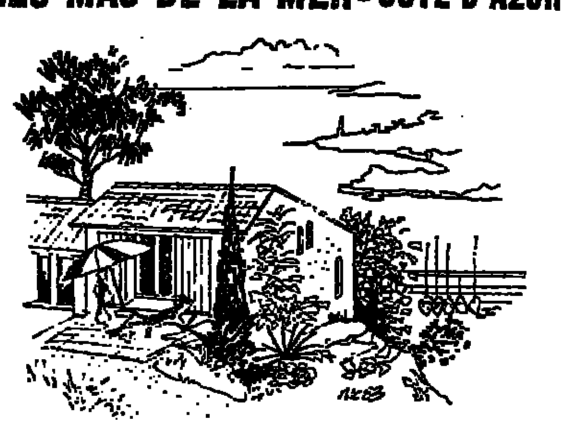
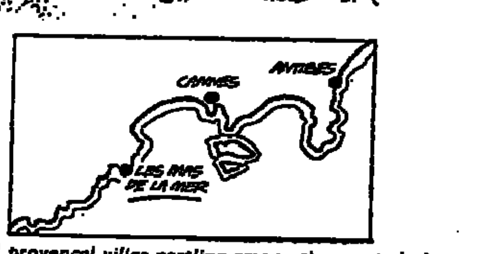
LES MAS DE LA MER - COTE D'AZUR





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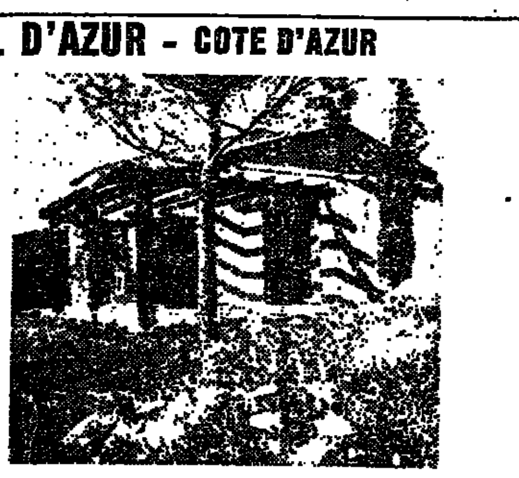

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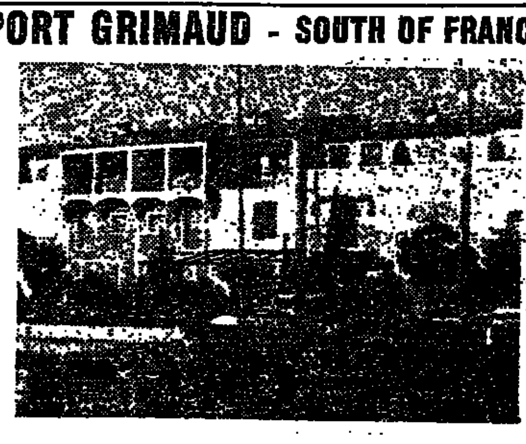

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Modern Turkey through ancient eyes

TRAVEL

ARTHUR SANDLES

The Crusader castle and town of Bodium in south west Turkey

AN ACADEMIC excuse for idling in the Mediterranean sunshine could be a visit to the sites of the seven wonders of the Ancient World. Only one remains substantially intact—the Pyramids of Egypt—but but this year another wonder, the Mausoleum at Halicarnassus, the modern Bodrum in Turkey, became accessible again, thanks to archeological work financed by the Carlsberg Foundation of Copenhagen.

An open-air museum has been opened on the site of the greatest tomb in antiquity, the 140 foot high memorial raised by his wife to Maussollos around 350 BC little has survived of the memorial for 500 years, apart from a word in the language.

The tomb has been excavated and surrounded by a pretty garden, and under cover from the sun is a small exhibition which includes a model of how the site originally dominated the harbour. There is also a history (in English), and some reproductions of part of the frieze (the original, of course, is in the British Museum). All in all an excellent excursion when you need a change from idling on your boat or beach.

For Bodrum is the smartest of the new resorts along the Aegean coast of Turkey. The harbour is awash with boats—yachts which can be hired for a day, two, or more, at extremely low rates, small craft that take tourists on the short trip to the Greek island of Kos, and fishing boats. Bodrum is now dominated by the last castle of the Knights of Rhodes, built just after 1400 in an attempt to ward off the advancing Turks but soon over-run. Its many towers still celebrate the nationalities of the Knights—the English Tower, the French, the Spanish—and the castle has been converted into a museum of under-water archaeology.

Bodrum is surrounded by history — and myth. Five miles away is the ancient Greek port of Myndos, just visible under the sea. On a July afternoon the beach was deserted apart from the owner of a small pension who let rooms at £2 a night, sharing cooking facilities with the family. He would also buy fish, fruit and vegetables from the local market for his guests. Even closer to Bodrum is the beach where Zeus took pity on the nymph Salkamis, who was vainly in love with Hermaphrodite, and whom the god joined for ever in the form of a fountain.

Package tours have barely touched this coast and most visitors are on short trips from Mediterranean cruise ships. Many visit the site, two hours' drive from Bodrum, of yet another wonder of the ancient world — the Temple of Artemis at Ephesus. Sadly, nothing of this remains, but archaeologists are steadily revealing and reconstructing Ephesus, one of the great cities of the past. The Celsus Library is now restored and wandering along the paved streets a vivid picture of life in a Roman colony reforms, from the carved advertisement pointing to a brothel, to the steeply banked theatre which seated 30,000.

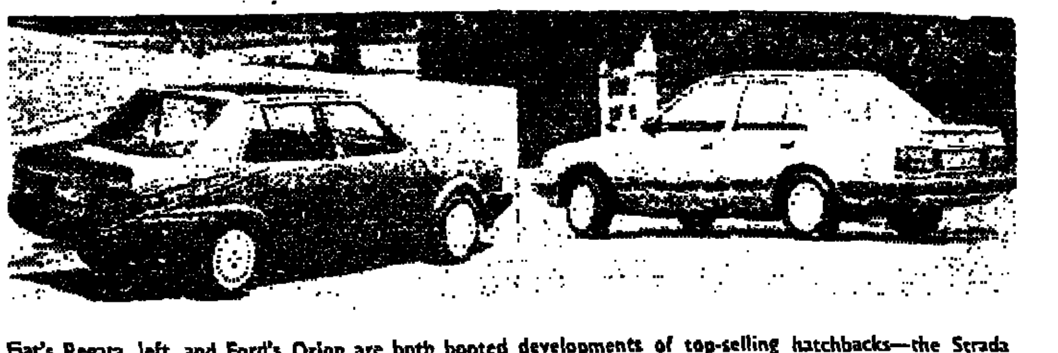
An attraction of the coast is the balance between the new resorts which are emerging, such as Kusadasi, where an old caravanserai resting place has been converted into a smart hotel, and the ancient sites, now pushed inland by the vagaries of the sea. Ephesus is the largest, but perhaps more romantic are Priene, half lost beneath undergrowth on a hill overlooking a broad plain, and Miletos, which keeps intact its vast Roman theatre.

You come across Didyma almost incidentally but the vast Temple of Apollo on the site was one of the most sacred places in antiquity, and retains much of its impact. The double colonnade is still there, and the scale of the building overwhelms sophisticated modern man: in ancient times, with its priests and its oracle, its impact must have been numbing. As at many of the classical sites of Turkey energetically carved monuments lie casually around, and the visitor longs for a better restoration and more information. These will come in time, along with the crowds. At the moment the antique, on a scale which far surpasses much of Greece, lies largely unexploited.

For the south-west of Turkey you fly into Dalaman; for the west coast Izmir is the arrival point. The old Smyrna of the Greeks it lies on a large bay and is at its most oriental in its extensive bazaar. Although Turkey attempts to be more European than its geography permits there are constant reminders of the east — camels track alongside the road; the towns and villages are spotted with the minarets of mosques; the food is the kebab.

But the modern resorts are emerging, not least at Cesme, close to Izmir, where the Turban Hotel, with 216 rooms, and all the trimmings from marinas to Turkish bath, should be able to cope with even the most fastidious western tourist.

Cesme itself is quiet and unspoilt with an attractive castle and easy access to the Greek island of Chios. Close by are thermal springs at Ilica to which the locals attribute miracles. The separation of the town from the hotels around its beaches offers two contrasting life styles. But contrast is the attraction of Turkey at the moment, a contrast with other Mediterranean countries which might not last much longer.



Fiat's Regata, left, and Ford's Orion are both booted developments of top-selling hatchbacks—the Strada and Escort respectively. Both have transverse engines, front-wheel drive and 5-speed gearboxes in most versions. Orion is on sale here now; Regata arrives in the Spring.

When boots are better

MOTORING

STUART MARSHALL

PUTTING a boot instead of a tailgate on the rear of a car seems to change its character as well as its shape. Ford's Orion is in essence a booted Escort; Fiat's Regata a booted Ritmo, which we call the Strada in Britain.

The boot gives them greater length. But that can't account by itself for the subtle shift in personality both cars display.

The Orion I drove recently in Britain and the Regata I tried all too briefly in Italy last week simply felt half-a-class better cars than their bob-tailed ancestors.

It was the improved ride and general refinement that struck me most as I drove away from Heathrow in the Orion after spending 14 hours in the air or in airports.

Kennedy's Air France suite had been fine; Charles de Gaulle's departure lounge was packed tight to over-capacity, and Terminal Two's baggage reclaim area was all the horror tales one hears of flying come true.

A shoulder-to-shoulder mass of tired, hot and stroppy travellers waiting up to an hour for bags to arrive on the conveyor.

The Orion 1.6GL's firm yet not unyielding driving seat was a good place to unwind in as I headed for Kent through crowds of Sunday motorists enjoying the Indian summer.

It is a pleasant car. Just the right size for a family of four, or an executive who doesn't want his company car to be in the over 1.8 litre tax class. The engine develops its maximum 79 hp at an unfussed 5,800 rpm, and pulls hardest at 3,000 rpm. The five-speed gearbox has a precise shift.

Performance is lively — 0-60 mph in 12 seconds and a claimed top speed of 103 mph. Fuel consumption over 300 miles was nearly 37 mpg. despite a lot of town driving.

The Escort has always handled itself well but has been flawed by a rear suspension that seemed almost to magnify some bumps and could produce a sideways lurch if a wheel fell into a pothole. The Orion is innocent of both faults.

At last, one might say, the Escort has been given the rear suspension it deserved along with a boot. The changes are not radical, merely detailed, but their effect is profound.

Ford has aimed the Orion, which is available only as a four-door saloon, up-market of the Escort and prices look on the high side. They range from £5,905 for the cheapest, 4-speed 1.3 litre GL to £7,435 for the fuel-injected 1.6 litre Ghia. The 1600 GL I drove is £6,200.

Optional central locking, electric windows and metallic paint bring it up to £6,658. I don't see the Orion competing so much with the Escort as with the Sierra, which is priced from £5,000 upwards. Ultimately, it may come to be regarded as the Cortina's real replacement.

The Regata fills a similar role in Fiat's model ranges, replacing the 131 saloon though not, for the moment, the 131 Panorama estate. The 131 was the nearest thing to a Ford Cortina Fiat ever made.

In spite of many rallying successes by special 131s bearing but a superficial resemblance to showroom cars, it has been one of Fiat's less charismatic products. The Regata, apart from being a nicer car than the Strada—itself much improved of late—is a quantum leap compared with the 131.

Styled elegantly if a little conservatively so as not to frighten off former 131 buyers, the Regata has good, if not outstanding, aerodynamics, has not been deliberately overgeared and thus has less than startling official fuel consumption figures.

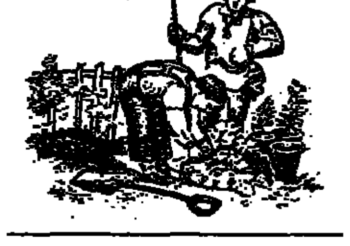
This might sound like a recipe for a lack-lustre car but is no such thing. In reality, the Regata is a thoroughly enjoyable car. Six versions are being made. Three have 1.3 litre engines, among them an ES economy special with electronics that shut off and restart the engine automatically during traffic stops. The 85 and 100 models have 1.5 and 1.6 litre engines and there is also a 1.7 litre diesel.

The 100 Super with a twin camshaft 100 horsepower engine I drove on hilly roads and *autostrade* in the Como region last week made an excellent impression. With the optional air conditioning in action, it still showed 180 km/h (112 mph) flat out, cornered swiftly with little body roll and rode with unusual resilience on its 65 series Pirelli P8 tyres. It felt as well put together as a German car of quality.

The front seats are plumply comfortable and the driving position commanding. I found the 5-speed gearshift as good as the Orion's. (Neither, I have to say, matches that of the new front-wheel drive Toyota Corolla I am currently using. The Japanese really do set new slickness standards for 5-speed gearshifts in cross-engined cars).

Regata arrives here in the Spring. If it were on sale now, it would cost between £5,000 and £6,500. That makes it look keenly competitive in the mid-size sector which accounts for 29 per cent of all cars sold in Britain. Together with the new Uno, the Regata should make 1984 a brighter year for Fiat in Britain.

Treasures from the deserts



GARDENING

ARTHUR HELLYER

I FIND cacti and many other desert plants fascinating but I seldom write about them because I have had little experience of growing them.

All the more welcome, therefore, a fine new book on the subject by an author who really seems to know what he is writing about. *Cacti and Succulents* (EP Publishing £10.95) is by Günter Andershon who claims to have spent 29 years studying these plants in cultivation and in the wild in Mexico, Arizona, California, South Africa and Namibia.

This is a big book of 312 pages with fine colour illustrations. More than a quarter is devoted to a study of cacti and succulents in general, what they are, where they grow, how they survive and their uses in their native countries. Then follows thorough examination of the requirements of these plants in cultivation, the temperatures they need, the soils that suit them best, their water, nutrient and light requirements, the various methods of increasing them and the control of those pests and diseases that are most likely to attack them.

Finally, the individual requirements of cactus and succulent genera are discussed in some detail but I could have done with more information about individual species.

But to have done so would have increased the size, and therefore the price, of the book considerably, and there are other works which cover this subject. What I most like about Günther Andersohn's approach is the great amount of information he gives about cultural matters, some of it quite new to me.

I did not know how important soil acidity is for many cacti and other succulent plants. Herr Andersohn calls it the decisive factor and says that for most kinds the most favourable reaction is from slightly acid to lower neutral which he defines as from pH 5.5 to 6.9.

These low values, he says, are vital to the humus loving epiphytic species, such as epiphyllums and the Christmas and Easter cacti, and what he calls the "deadly maximum" for these is as low as 7.2.

Reputias, Lobivias, gymnocalyciums and most cereus become stunted and yellow if the soil is at all alkaline and he thinks that damage to cacti and succulents in general occurs more frequently because the soil is too alkaline than too acid.

It is often recommended that John Innes No. 2 potting compost, with the addition of one-sixth of its bulk of sharp grit, makes a good general coil mixture for cacti and other succulents but since this contains some chalk or limestone I suspect that, according to the nature of the loam used, this could well be too alkaline for Herr Andersohn's liking.

He also departs from orthodoxy on the best material for pots and other containers. He dislikes clay pots, except where they are to be plunged to the rim in peat, sand or some other moisture - retaining material, because evaporation through the earthenware results in harmful accumulations of lime and nutrient salts on the container side.

Roots follow the water movement, cling tightly to the porous earthenware of the containers and suffer extreme fluctuations of evaporative cooling followed by drying out and excessive heat. By contrast plastic reduces water loss and encourages even distribution of water and plant nutrients in the compost.

Surprisingly, he recommends hydroponics for cacti and some other succulents. This method, which has been considerably developed for house plants, makes use of an absorbant but chemically inactive filling, usually expanded clay granules known as Leca, for undrained containers in which there is a little water and a slow release fertiliser that only needs to be topped up occasionally.

I have never seen cacti grown in this way but I have used it very successfully for dieffenbachias, chlorophytums, and some other foliage plants.

Andersohn also gives a great deal of information about growing succulent plants from seed. All, including cacti, require light for germination and therefore seed pans or trays should not be covered with paper.

For the same reason most cacti seeds should be sown on the surface, only the large seeds being covered to twice their depth. Mostly he uses pure mineral composts of quartz sand or perlite, the sand washed to remove fine particles which might become muddy. He adds peat or leaf mould only for apiphytes.

He also disinfects seeds by mixing a dry disinfectant powder. He does not disclose which disinfectant he uses for this. But later on he says he uses a Chinosol solution, half a tablet per litre of water, to water seedlings once a week as a protection against fungi. He says that fungal infection can destroy all seedlings in a container within a few hours, which may account for my lack of success with cactus seeds.

There are equally detailed descriptions for increasing plants from stem or leaf cuttings, again with emphasis on the necessity for hygiene. No doubt this is required for some kinds and apparently the various species of cereus, for which he has a special section, are esepecially susceptible to fungal attack. For me one of the nice things about my succulents is the way in which they propagate themselves.

I grow a dozen or so plants of Kalanchoe blossfeldiana for their brilliant flowers, and they stand, along with other greenhouse plants, on capillary matting. The stems sometimes break off. I leave them lying on the wet matting and they never fail to root without any assistance from me.

I am afraid Herr Andersohn would regard this as a rather frivolous approach not to be encouraged, but some sedums root just as readily, and those rather ugly but strange kalanchoes formerly known as bryophyllums produce plantlets around the leaf edges, and these fall off and root very quickly. It is why we used to call them Floppers.

Several pages are devoted to selections of plants for particular positions. These are plants for inside and outside window sills facing north, south, east and west, for plants on shelves within rooms and for frames and greenhouses. That gives almost everyone, even the flat-dwellers, a chance to try these often strangely beautiful plants.

As they were

BY IAN DAVIDSON

Kissinger: The Price of Power
by Seymour M. Hersh. Faber and Faber. £15.00. 700 pages

The Profession of Arms by General Sir John Hackett. Sidgwick and Jackson. £12.95. 240 pages

Seymour Hersh is a prominent American investigative journalist, who has won many prizes for his investigations. By American standards, he is also a radical journalist: several of his prizes have been won for his reporting on the My Lai massacre in Vietnam, on the bombing of Cambodia during the Vietnam war, and multifarious aspects of skulduggery by the CIA. It is not entirely surprising that his latest book should be an onslaught on Henry Kissinger and the skulduggeries of the Nixon White House.

It is an interesting book, well written, and buttressed by substantial research — Mr Hersh claims over 1,000 interviews. But though it throws many sidelights on the arcane manoeuvrings between the President and his National Security Adviser, and between the National Security Adviser and the rest of the established bureaucracy, I do not think it leads to any comprehensive reassessment of Henry Kissinger. On the contrary, Hersh is so determined to condemn Kissinger on all fronts that his final balance sheet is well short of a true and fair account.

He argues, for example, that Kissinger made many errors in his constant interventions in the nuclear arms negotiations with the Soviet Union, and that as a result the first Salt treaty was significantly less satisfactory to the U.S. than it need have been. This may be so; but Hersh gives almost no weight to the idea that, without Kissinger's interventions, there might have been no possibility of out-manoeuvring the opponents of arms control in the U.S. The Salt treaty may have been flawed, but it laid the groundwork for present American efforts under Reagan to get a much more ambitious arms agreement with the Soviet Union.

The author attacks Kissinger for having failed to understand Sadat's determination in 1972-1973 to regain the Sinai (which led to the 1973 war and Kissinger's ostentatious shuttle diplomacy), as well as his failure to understand the centrality of the Palestine issue in Middle East instability. Undoubtedly, these failures were the more deplorable in a man of Kissinger's pretensions, but they were not peculiar to him: another decade was to pass before an American President would recognise the Palestine problem.

Seymour M. Hersh: turning an investigative eye upon the career of Kissinger

Hersh vilifies the Nixon-Kissinger team for the way they adapted the handling of the Vietnam "peace" talks to the sordid claims of the presidential election time-table, but he over-eggs the omelette. It is reasonable to criticise them for having pretended to the American people (and perhaps to themselves) that there was some way to negotiate a peace which would preserve the independence of south Vietnam. It is not reasonable to argue, as Hersh does, that the U.S. might have been able to bomb its way to such a durable peace in the spring of 1973, if the White House had not been hamstrung by the debilitating effects of the Watergate scandal.

The plain fact is that, once it became clear the war was unwinnable on the ground and politically unacceptable to the American people, the alternative solution of a negotiated peace on American terms became unattainable. The Kissinger negotiations were merely an exercise in collective self-deception, and Mr Hersh does his case no good by trying to pin the blame for the ultimate victory of Hanoi on Watergate.

The Nixon-Kissinger team will long remain a subject of absorbing study, partly because they were so passionately involved in events great and small, partly because they were so out of the ordinary (at least in combination). Mr Hersh's book is certainly not the last word on the subject, mainly because it is so passionately unfair; but it is not so unfair as to disqualify it from being an absorbing and provocative contribution to the subject.

One of the more striking differences between Seymour Hersh and General Sir John Hackett, is that the general is apparently without rancour of any kind against anyone. This may have something to do with the extraordinary success of his personal career: in formal terms, this concluded with his tenure of the command of Northern Army Group in Nato, but since then he has been Principal of King's College, London, visiting professor of classics, and author of the best-selling *The Third World War.*

His latest book may not emulate the sales figures of *The Third World War* but it is likely to attract keen interest among all those who take notice of soldiering. Based on a set of lectures originally delivered in 1962, *The Profession of Arms* is an historical survey, which starts with the Greeks and Romans, and sweeps rapidly forward through the Middle Ages to the 18th, 19th and 20th centuries.

As one might expect from a man with his academic bent, it is erudite and, as Hobbes said of Thucydides, "thicke with sense"; yet at the same time, it is felicitous, chatty with pithy anecdotes, and eminently readable. For those who like that sort of thing, it is also accompanied by a great many illustrations, both monochrome and in colour; but the result is that the text is rather short for a not very long book. I should have welcomed more of Sir John's well-chosen words, but it will do to be going on with.

Starry stuff

BY MICHAEL COVENEY

In My Mind's Eye
by Michael Redgrave. Weidenfeld and Nicolson. £9.95. 256 pages.

Peter O'Toole
by Nicholas Wapshott. New English Library. £8.95. 239 pages.

Sir Michael Redgrave was ever an elegant writer. He has produced two illuminating books on the actor's craft, a short novel, and three stage plays (best known among them an adaptation of Henry James's *The Aspern Papers*).

In recent years he has suffered from Parkinson's Disease and, for the last three of them, dictated his autobiography to his son Corin. The result of their labours is dignified by grace, evenness of tone and a complete lack of either self-vindication or self-pity. This is a very remarkable book.

Drawing on his own diary—which must surely, in itself, merit a publisher's attention some day—and, for the earlier chapters, on an acute memory and family letters, Redgrave records a lifetime in which he might well have succeeded as a poet, a literary editor, even a musician. His father was an eccentric Australian actor, Roy Redgrave, his mother a modestly successful actress, Daisy Scudamore.

Born in a trunk, he graduates from Edwardian theatrical digs to Clifton College and friendship with Oliver, the socialist son of Prime Minister Baldwin.

At Cambridge he edits a literary magazine, takes over the Cambridge Review and distinguishes himself in the theatre world of George Rylands, Maynard Keynes, Robert Eddison and Dennis Arundell. He co-edits two volumes of Cambridge poetry for the Hogarth Press.

After a spell of teaching at Cranleigh, he goes to the Old Vic in 1936 to work with Tyrone Guthrie and Edith Evans. With tact and much affection, he recounts his love affair with Edith Evans (he had met and married the actress Rachel Kempson a few years earlier while both were engaged by the Liverpool Playhouse). The other affair he refers to is one with Diana Wynyard.

He plays Laertes to Olivier's 1937 Hamlet, makes his first film, *The Lady Vanishes*, for Alfred Hitchcock, and is banned by the BBC for signing a pacifist socialist manifesto. But he joins the Navy in 1941, pulling rank and family connections to land a posting in the Atlantic on the Illustrious.

Many felt that his teaming with Olivier in the famous 1962 revival of *Uncle Vanya* signalled the start of a triumphant partnership at the National. This never came about, Redgrave leaving quietly after a troubled Claudius and unhappy *Hobson's Choice.*

His Vanya, his Samson Agonistes, his unparalleled screen performance as Rattigan's schoolmaster in *The Browning Version*, his last, silent (except for a memorable howl) stage appearance in Simon Gray's 1979 *Close of Play* — all testified to an extraordinary ability to transmit a sense of tragic waste.

Redgrave: dictated memoirs

He could have been more cutting about his treatment at various hands, but declines the opportunity. He rejoices in the acting careers of Vanessa, Corin and Lynn. He says nothing of regret, of disappointment, of physical pain. By saying nothing, he speaks volumes.

Nicholas Wapshott's busy, breathless biography of Peter O'Toole, unauthorised by the subject, is by contrast well-nigh unreadable. It is what is known in the trade as "a cuttings job" and is like a nightmarishly long, gossipy newspaper profile with no centre of appreciation, no basis in transfigured experience of the actor's art. Lengthy quotations from various interviews and reports are unaccredited. We are told that O'Toole always wears green socks. This is simply not true. If the details are wrong, what price the rest?

Fiction

Vagabond à la Villon

BY MARTIN SEYMOUR-SMITH

Londoners
by Maureen Duffy. Methuen. £7.95. 240 pages.

Babies in Rhinestones
by Shena Mackay. Heinemann. £7.95 184 pages.

Late in the Day
by Carol Jones. Duckworth. £7.95. 150 pages.

Kate's House
by Harriet Waugh. Weidenfeld and Nicolson. £7.95. 217 pages.

The Complete Knowledge of Sally Fry
by Sylvia Murphy. Gollancz. £7.95. 172 pages.

Snow and Other Stories
by Antony Lambton. Quartet. £6.95. 134 pages.

Londoners is a novel on Maureen Duffy's most usual theme: the thoughtful nonconformist struggling for brightness and individuality and self-expression against a comic, crowded but distressingly drab and dismal background, characterised by meaningless oppression. But it is her most evocative and structured work, more carefully written than anything she has done before; and her main character, a writer called Al, who is the narrator, is her most wholly realised portrait.

Al is writing the biography of the French vagabond poet Villon, and, with all due attention to historical differences, many parallels between our times and the Frenchman's medieval ones are exquisitely and imaginatively drawn. This is a fine portrait of London as it really is today, as well as a moving account of one man's fight to remain himself. The dialogue is effectively veristic, and the book has almost tragic overtones: it is an authentic return to the true naturalism of Zola, though of course wholly in the terms of contemporary London—and this gives it some extra technical interest.

Babies in Rhinestones, 11 short stories, is Shena Mackay's first book for 12 years. Stories are very hard to write—this is almost a truism—and one must say at once that Shena Mackay writes them very well: professionally, but never glossily or slickly. Tragic, pathetic and comic by turns, they evoke embarrassing and hopeless moments or relationships. They offer no solutions—one has to console oneself with Nietzsche's aphorism that all art is happy—but they are penetratingly accurate, relentless and yet compassionate. This is a very distinguished collection.

Late in the Day is Carol Jones's first novel; it won the "Novel for Wales" competition organised by the Welsh Academy, and is published to coincide with the centenary of University College Cardiff. It is a study of an old man's last days in a nursing home, where in his over-optimistic and yet brave imagination he re-enacts the exploits of an unjustly neglected Welshman, Sir William Vaughan, the pioneer of Newfoundland. The author is uncannily good at getting into an aged but not infirm mind, and in exploring its apparent vagaries. The writing is uniformly sound. This is a promising and vigorous début.

Kate's House, Harriet Waugh's third book, is arch and disappointing. What she has tried to do is difficult, and, apart from some stray passages, she has not succeeded. Kate is a four-year-old child who is given a doll's house, which (to her mother's displeasure) she peoples with the creatures of her own imagination rather than with a "healthy family"—as one might put it. Soon her creations play havoc with the lives of the real house in which she lives.

The theme is an excellent one, worthy of a Henry James; but it would take a James to work it out satisfactorily. As it is, the language never matches the conception, and merely irritates the reader by letting him down. But it is at least a failure to solve great difficulties which robs this novel of its effectiveness, rather than any mere foolishness. This is a mishit by a more than competent writer.

The Complete Knowledge of Sally Fry is another first novel. It is about a woman who, harassed by her son's drearily routine bad behaviour and by various affairs (which she seems to attract), decides to write a sort of dictionary (Complete Knowledge) in order to make sense of her life. Again the conception is excellent; but, again, this novel does not deliver what it promises. The 'Complete Knowledge' entries are certainly meant to be funny — and what an opportunity! — but, most regrettably, I found them merely facetious.

Shena Mackay: artful fables

This is the general level:
'GAG: something placed over the mouth to prevent speech, or a joke. I really can't see the connection between the two as in order to make a gag you certainly can't be gagged.'

No wonder Sally Fry can't make sense of her life—and when she does, it is unconvincing. The author should read Flaubert's *Dictionary of Accepted Ideas.*

Snow is a collection of short stories by Lord Lambton, who resigned from Parliament in 1973 and has lived in Siena or in the English countryside ever since. They are prefaced with a generous foreword by Harold Acton. This is, as Harold Acton says, a 'stimulating medley': laconic, varied, intelligent and pleasant. Lord Lambton does not have the professionalism or the depth of Shena Mackay; but he is unpretentious, and has written a collection of stories which would do justice to most of the better known practioners of this difficult genre.

Out of the tunnel

BY PHILIP BASSETT

On the Rails
by Sidney Weighell. Orbis £8.95. 176 pages.

"Rewriting Labour history is a full-time preoccupation for some," says Robert Taylor in a perceptive introduction to *On the Rails*, the belligerent autobiography of Sid Weighell, who resigned as General Secretary of the National Union of Railwaymen after a voting row at last year's Labour Party conference.

Left-wingers in the trade unions have been quick to rewrite the Right-wing Weighell's personal history. Despite being born, bred and schooled in the cauldron of Labour politics—both his father and grandfather were prominent NUR activists—the Left now sees Weighell as some sort of traitor to the working class.

Certainly, in this hard-hitting book, Weighell gives the Left further ammunition. He is scathing about his Left-wing union executive, calling them "intellectual pigmies;" about Ray Buckton of the train drivers' union Aslef, describing their relationship as "stiff and formal, punctuated by mutual acrimony;" about the "Trotskyist fantasies" of Labour's hard Left; and about the "aristocratic Socialist," Tony Benn, who "puts on a show of sweetness and light, like a country vicar, but he associates with political extremists," and whose "raging campaign" to become Labour's deputy leader caused "enormous damage" to Labour.

His laudatory view of Sir Peter Parker, British Rail's recently-retired chairman, hands his critics a further weapon. Weighell says "It will be a long time before the Government can persuade anybody of his ability to take on the task of running the railway network."

Sid Weighell goes even further with the extraordinary statement for a trade unionist that "Parker and his colleagues were far too soft in dealing with the drivers' union during my whole time as NUR general secretary." He concludes: "I often used to think what a team we would have made, if he and I had been able to work together with only one union in the industry."

Sir Peter repaid the compliment in a recent TV interview when he described Weighell as a man of "great vision," though even then the consensus-loving Sir Peter preferred the new post-Weighell spirit of co-operation among the railway unions. Weighell may be disparaging about his own successor, the Left-supported Jimmy Knapp whom he describes as an "inexperienced young official," but Knapp has speedily and virtually single-handedly stopped the NUR-Aslef infighting which even Weighell concedes was one of Sir Peter's most intractable problems.

As reporting, the book often biased and contradictor. For example, when Weighell a member of the NUR's govern ing executive committee, then "executive members have full-time job to do." But when as General Secretary the full-time executive members are causing him trouble, he say much of it stems from the fac that "often there is not enoug genuine union work for then to do."

Weighell was a complex man aggressive and articulat passionate and private, trucu lent and thoughtful. In partic lar, the loss of his intelligen incisive advocacy of a plann socialist economy which did n shirk from wage control, leav a gap in current Trade Uni thinking.

Few episodes could be mo telling than the conference Birmingham a year ago at whi Weighell tried to recapture h job. After Weighell's bid faile by five votes, jubilant Le wingers rushed from the ha shouting: "He's out! We've go him!" Yet in a pay and pro ductivity debate later that sam day, Sid Weighell, all gun blazing, gave the speech of his life persuading the same peopl who had just rejected him to accept his final arguments. Al the historical rewriting in the world can't obscure the loss to the Trade Union movement of Weighell's main qualities, integrity and courage.

Knapsack man

BY JEFFREY MEYERS

The Kingdom by the Sea
by Paul Theroux. Hamish Hamilton. £9.95. 303 pages

Dickens, Wilde and Mrs Trollope wrote about America. Paul Theroux now has a go at Britain, which invented the concept of the funny foreigner but never regarded itself as fair game for the travel writer. Influenced by Waugh's sense of absurdity and Greene's sour scrutiny, Theroux specialises in negativity. He therefore writes more effectively on Siberia and Patagonia than on tame and uneventful coastal towns which provoke more disappointment than pleasure. His book is not nearly as good as John Hillaby's *Journey Through Britain.*

Theroux travelled clockwise around the entire coast by train and foot for three months in the spring and summer of 1982. It is the time of economic depression and the Falklands war. Rural branch lines are closing and isolating villages throughout the country. Skinheads and motor-cyclists liven up sedate resorts. Food is dreadful, hotels dreary. Nearly every place he visits is deteriorating, derelict, dirty, desecrated, disappointing and depressing.

The mechanical chapter headings and miserable maps suggest the mood of this peppery book. Theroux makes brief stops in hundreds of towns, but never meets anyone interesting. Most of the places are dull, but he feels obliged to comment on all of them. The result is rushed, superficial, scrappy and verbose. (His knapsack and oily shoes are mentioned a dozen times.)

He writes only three paragraphs on Holy Island, but gives a good deal of torpid topography: "The Cumbrian Mountains rose up on the other side of Duddon Sands, the bare summit of Black Combe, and from Foxfield to Bootle. . ." And banality: "At 11 I took a walk down to the beach. I passed a man in rubber waders standing alone and looking puzzled on the road. A girl and her grandmother were eating ice cream cones."

Theroux watches sad-faced women waiting in the rain with string bags. He endures the prison-like amusement park at Butlin's. He witnesses the utterly joyless, vulgar and ugly Skegness. He observes the death agony of Belfast. As soon as he arrives in a place, he feels trapped and wants to escape. On Margate strand, and in many other spots, Theroux (like Eliot) could connect nothing with nothing. This is nearly the world of 1984.

The sunset bumps the planet and is gone. Proliferating horror cities obliterate green space. Imagined scenes of woodlands and downs give way to the reality of nuclear reactors on a black coast. The rocky foreshore is covered with sewage: "The rock pools of Devon and Cornwall had been violated, and Dunwich had sunk into the sea, and Prestatyn was littered and Sunderland was unemployed." Edmond Gosse said it all 76 years ago in *Father and Son:* "No one will see again on the shore of England what I saw in my early childhood."

Crimes

BY WILLIAM WEAVER

Belgravia by David Linzee. Hale. £6.75, 192 pages

Industrial espionage is a good subject, and David Linzee seems to know a lot about it. The opening is cluttered with facts and presentations, but once you've sorted them all out, the book moves fast. It's all a bit plastic, perhaps; but that's only appropriate, after all.

Arrow in the Dark by Stella Allan. Collins, £6.75, 245 pages

Mrs. Allan allows coincidence to play rather too prominent a role in this otherwise persuasive story. The characters—a vicar, his wife, and two young men—are original and well-portrayed; the writing is smooth, and the setting realised in sufficient, telling detail. A thoroughly enjoyable book.

The little hut

BY GAY FIRTH

Castaway: A Story of Survival
by Lucy Irvine. Gollancz. £8.95. 287 pages.

Miss Lucy Irvine is not the first young woman in the world to have dreamed the "desert island dream"; and she is probably not the first clerk in the Inland Revenue Sorting Office, Ruskin Avenue, Richmond, Surrey, to have dreamed it, either. But she is one of the very few people—possibly even fewer Inland Revenue clerks—who have been willing to give it a go. Having given it a thorough-going go, she has written a book as remarkable for its degree of thoughtfulness, and unflinchingly unsentimental self-exposure, as for its descriptive skills.

"Instead of sitting in a bed-sitting room in Kew fretting confusedly over the thousands of options confronting one in normal civilised society," Miss Irvine answered an advertisement, placed in Time Out by a man 26 years older than herself, seeking company for a year on a tropical island. What their relationship was to be was made unequivocally clear, but the project was serious, the opportunity offered and she went.

Castaway is her account of events between May 1981 and June 1982 on the tiny tropical island of Tuin, off the northernmost tip of Australia. The worst that can be said for the book—sand, sun, sea, sharks, sandflies, shrunken breasts, and all—is that the Inland Revenue's loss is certainly our gain. The best that might be said is that Miss Irvine, still comfortably under 30 and happily restored to normal health and proportions (the colour photographs are not the least attractive aspect of *Castaway*), stands in the best traditions of inquiring, intrepid ladies who, like the Victorian, Mary Kingsley, kept first-rate notes and their wits about them, while whacking crocodiles over the nose with parasoles wielded from canoes. "The main aim was to survive, not to achieve." *Castaway* demonstrates not only survival, but also an achievement of real merit.

It charts the complex emotional gear-changes in a girl infatuated by a dream made real—"the island had me like a lover;" miserable with the reality of a companion as incompatible as any she might have imagined—wholly, even perversely different from herself in temperament, background, energy, and will.

Both suffered horribly in an environment as hostile as it was beautiful: their physical deterioration and her stress, seeking to maintain even tolerable relations, makes frightening reading but she lives to tell a good tale: such dreams as stuff is made of. The book she took was Robert Graves's *Greek Myths.* Thank you, Lucy Irvine, for letting us hear your Desert Island . . . .

by Lucia van der Post

Post-Haste for Christmas

Whether you want a small, exquisite rarity or a cheap and cheerful stocking filler, somebody, somewhere will be ready to sell it to you by mail. This week's page is dedicated to all those who have decided to do this year's Christmas shopping from their own armchair.

AS ONE who is given to a last-minute flurry of shopping in the final run-up to Christmas, the concept of deciding in October what I might feel like giving somebody in December is hard to come to terms with. However, in response to many pleas from readers, I have decided to give early advance information on how to shop by mail. So this week here is the first of a two-part series on the best of the mail order catalogues around.

STOCKINGFILLAS, Tennant House, The Village, Prestbury, Cheshire. Telephone: Prestbury (0625) 827573. Free on demand

The catalogue for those who have lots of fat stockings to fill or who are contemplating children's parties of any sort. Every kind of dotty party need from worms that grow in glasses of water (6-8 in a pack that costs 29p), 7 ins long plastic skeletons (15p each) to gruesome finger frighteners (wonderfully monstrous rubbery creatures that cost 19p each).

As you can see there's masses to choose from at prices under £1, but if you're looking for presents rather more solid and useful you could opt for the lighted screwdriver set (a combination of torch and a set of screwdriver blades) at £2.95 or the Keep-a-Key (a spare car key to be kept under the bumper in case you forget yours) at £1.79.

TRIDIAS! 124 Walcot Street, Bath. Price 25p

If you have masses of children on your Christmas present list, this is the catalogue for you. There are four toy shops, all of which have a big following, but with the help of this catalogue those who can't reach the shops, or can't face lugging the booty home, can have access to all the merchandise.

From small party presents like Magic Candles at 45p for 10 and Face Paints (69p for six sticks) to large outdoor toys like climbing frames and golf practice nets, the choice is wide. There are also party pack selections (15 items for £1.60) which help make the stockings bulge in the authentic Christmas way and a selection of marvellous miniature yachts (see the sketch above) that even adults might like to have. There should be something in this catalogue for any child, no matter what his or her interests.

THE NATIONAL TRUST, PO Box 101 Melksham, Wiltshire. Telephone Melksham (0225) 705676. Send large s.a.e.

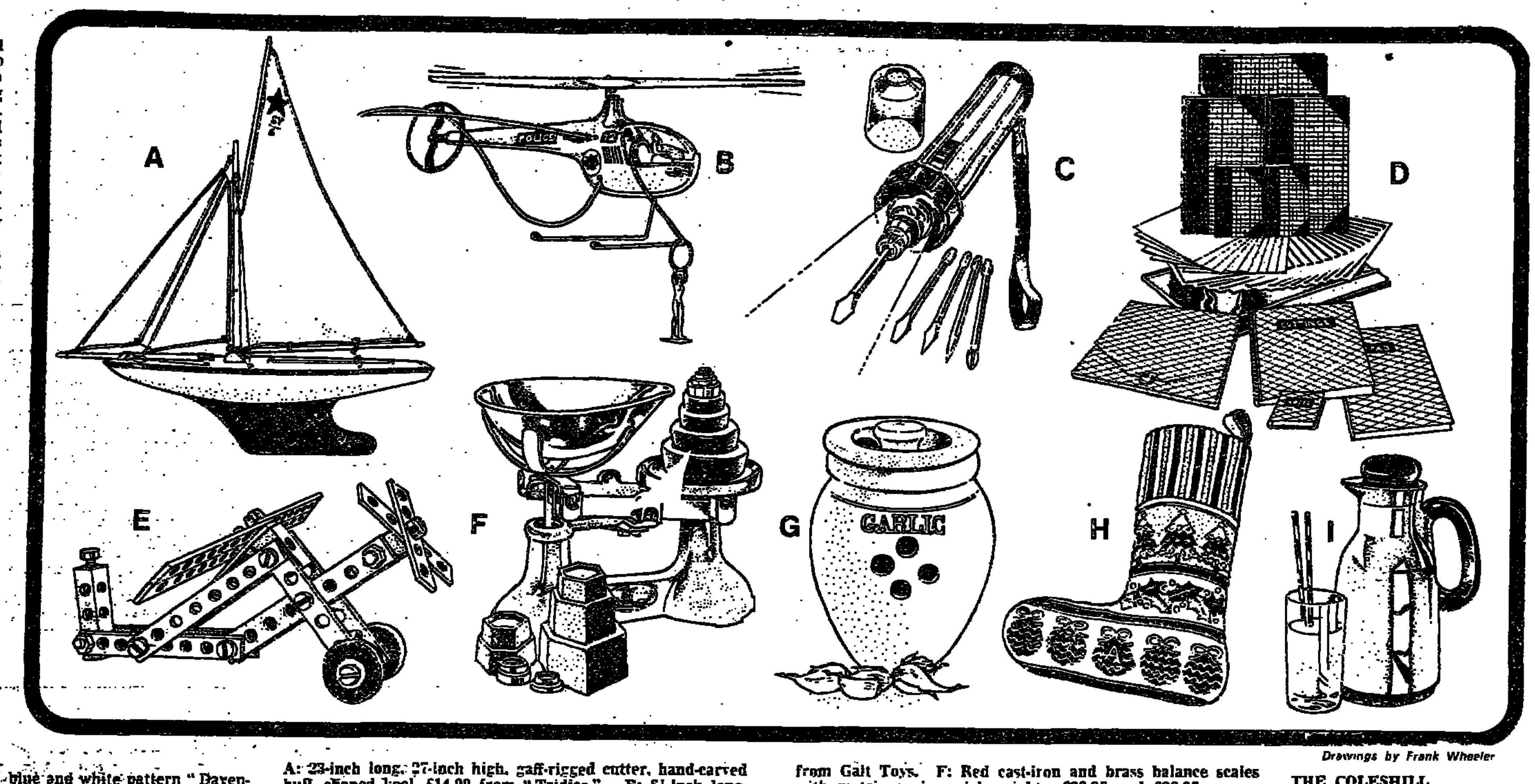
A limited range of goods, all in the now well-known National Trust style. Stars of the catalogue seem to me to be the splendid address book, measuring 8½ ins by 6½ ins for £3.95, the fine soaps, drawer liners and other bathroom accessories sporting the restrained deep blue and white pattern "Davenport." However, anybody wanting to support this charity should be able to find something to please. Cottage Garden Seeds, a small pack with a selection of six flower seeds with a propagator and peat pads for £1.40, is a charming small present and the special National Trust puddings and cakes are much sought-after.

COUNTRY WIDE WORKSHOPS, 17c Earls Court Square, London SW5. Price £1.50

Anybody who feels that the whole Christmas razzmatazz has become over-commercialised and is nothing but a racket to part honest workers from their money, should feel easier if they buy from the Country Wide Workshops catalogue. Everything on sale has been made by blind or disabled craftsmen and women or else it comes from Local Authority supported workshops. Everything is, therefore, British made and though some of the items are a bit on the dull side (plain crew-neck jumpers that I don't think I'd be too thrilled to find in my stocking come Christmas morning) there is enough of interest to make the catalogue well worth looking at. For instance, Fair Isle slipovers at about £12 each in good, subtle colours are excellent value for money while the plain-wooden toys, sturdily-made, should please the most purist of parents. Little felt mice at £1.20 each make excellent stocking fillers and you can also buy your Christmas decorations from Country Wide.

GALT TOYS, Brookfield Road, Cheadle, Cheshire. Price 10p.

This is the company that has always taken the whole business of play in childhood very seriously and a lot of splendidly constructive toys they have produced to boot. "Toys are the tools of play" is the philosophy behind the catalogue and everything for sale bears this out—no monstrous "cutie-pie" dolls, lots of sturdy wooden toys and bricks, splendidly challenging construction kits and jigsaws to tax the most gifted child. Lots of painting gear for messing about with and colouring books with charming, bold designs.



Drawings by Frank Wheeler

A: 23-inch long, 27-inch high, gaff-rigged cutter, hand-carved hull, shaped keel, £14.99 from "Tridias." B: 8½-inch long, battery-operated helicopter, £10.95, "Tridias." C: Combination torch and screwdriver set, £2.95, from Stockingfillas. D: Smart Chinese graphics range of stationery from the Reject Shop, small notebooks 20p, address books 25p, 45p E: Brightly-coloured wood and plastic construction set, £9.95, from Galt Toys. F: Red cast-iron and brass balance scales with metric or imperial weights, £28.95 and £28.95 respectively, from The Country Kitchen. G: Terracotta jar, 7 inches high, for storing garlic cloves, £1.50 from The Country Kitchen. H: Initialled Christmas stocking, 14 inches high, to sew yourself, £13.95, from The Coleshill Collection. I: 1-litre vacuum flasks, £6.25, from the Reject Shop.

THE COLESHILL COLLECTION, Ash Cottage, Coleshill, Amersham, Bucks. Just send one first class stamp.

For needlework aficionados only, this is one of the most charming collections of kits I know.

I like best of all the old-fashioned sampler kits — especially Cottage Garden (£13.95) and English Garden Sampler (£21.50). There is also a selection of special Christmas designs which the fleet of finger might get done in time for December 25—the Christmas stocking in our sketch is £13.95 but there is also an advent calendar, a table runner, and a miniature Santa Claus.

THE COUNTRY KITCHEN, 13 Finns Close, Coventry. Free on demand

A relation of the Country Garden catalogue, this logical extension of its activities has been produced in conjunction with Elizabeth David (the company that runs the excellent kitchenware shops).

So far some of their most popular items have proved to be the equipment necessary for making preserves and jam, the vast range of gadgets necessary to decorate a cake and a piece of teak shaped to hold French bread. You can spend as little as £1.50 on something as dotty as a spaghetti server (a spikey gadget that holds the spaghetti as you serve it), £2.75 on a pack of six re-corkers (very useful present this, use it for stopping bottles of wine, lemonade, etc) or as much as £160 on a very handsome wooden butcher's block.

You can also buy a few rather special foods—sides of smoked salmon, the delicious green olive oil from Monte Amiata as well as Noix de Jambon Fume au Poivre from the Haute Savoie.

THE REJECT SHOP, Units 23/24 Fulham Wharf, Townmead Road, London SW6. Price 75p.

Fifty colour pages in which everybody, no matter how choosy, ought to be able to find something to please. Though once upon a time the Reject Shop sold just rejects nowadays the real rejects are very few. If something isn't marked reject then you can be sure it isn't.

Use the catalogue to stock up on kitchenware, to furnish your house. There's a large selection of inexpensive folding chairs (just what the student son and daughter could probably do with), an array of lights, and a vast section of all those small toys that the fattest and best of Christmas stockings need. Mini-planes and boats at 15p each, Paddington jigsaws at 99p, playing cards at 25p. Perhaps the best buy of all though, is the selection of mouth-watering pastel-coloured dhurries—prices start at £9.95.

HAMLEYS of Regent Street, London W1. Price 75p

Personally I prefer a more edited catalogue but this is the bumper toy catalogue of all time—fat, glossy and in full-colour it features all the toys of the year. There are seven pages on dolls alone — many enough to make the purist cringe — but children, no doubt love them. There are 11 pages of electronic toys and seven of stocking fillers. If you have the stamina to work your way through it you're bound to find the very thing you're looking for.

COOKERY/JULIE HAMILTON

POTTED IN ONE

I have recently come across the answer to a problem I have had for a very long time. It is more than just an answer, it has opened up a whole new way of cooking for me. My problem was saucepans. I need heavy pans because I have an Aga cooker and lightweight ones are unsatisfactory. Cast iron pans seem to have a limited life as the enamel inside nearly always begins to break up after about five years of heavy use.

Stainless steel, if it is heavy enough, is very expensive and tends to have a sticking problem when used over fierce heat.

Aluminium has serious limitations as well as usually being unattractive. Now, for simply boiling water for pasta or such things, all I ask is efficiency, but for more creative cooking I am extremely particular.

I want a pan that is good enough to bring to table at any occasion, does not cook unevenly, or too fiercely, or too slowly, does not have a sticking problem, cleans with ease, and is not too heavy to handle or too expensive (unless it is guaranteed to last for life!).

Does such a thing exist, you may well ask? Well it does and it turns out to be one of the cheapest, most unusual, and one of the oldest, saucepans on the market.

These pans are more dishes than saucepans and they are made in Italy from a special clay, but there is almost nothing a saucepan can do that these cannot do better! They are completely flameproof (no defuser needed), they cook very evenly and steadily, with the minimum of fat (if any in many cases).

For instance, sauté potatoes for six people need barely more than a spoonful of oil. They cook without sticking and the pans are as easy as can be to clean. I do not know how I managed without them for so long!

I made this wonderful discovery in George Hilton's of Haywards Heath, Sussex. In their super kitchen department a shelf of red, green and terracotta dishes, marmites, saucepans, casseroles, individual round dishes and oval dishes caught my eye. All of them labelled Stent pottery. All of them most attractive. Close inspection revealed the red and green to be French and *not* flameproof. Only the terracotta is flameproof. It comes from Italy and is called Stent Linea Terra Cotta. Prices range from approximately £3.80 for the smallest item to £11.80 for the largest and most handsome casserole. Most kitchen shops and department stores stock them.

Here are some recipes I have created in the pots to celebrate their arrival in my kitchen! All the food was cooked and then served in the same dishes.

POLLO PICANTE ALLA STENT
(Spiced Chicken)
(Serves 4 or 6)

3 boned breasts of chicken; 5 drum sticks; 2 large white onions; 1 clove garlic; 2 tablespoons strong chicken stock; 1 tablespoon sweet paprika; 1 tablespoon oil; 1 teaspoon coarsely ground cinnamon (or ½ of fine); 1 teaspoon cumin seed; 2 fresh chillis; ½ pint yogurt; 1 small red pepper finely chopped; 1 level tablespoon cornflour; a pinch of finely grated lemon rind; salt and pepper.

Skin the drum sticks and cube the breasts, rub them well with the cinnamon and marinate them in the yogurt for half an hour or so. Finely chop the onions and chillis, heat the oil in a flameproof terracotta casserole.

Gently fry the onions and chillis, adding the cumin, paprika and garlic (chopped), strain the chicken (set the yogurt aside for later use), and add it also. Stir well to coat the chicken, then add the stock, lemon rind, red pepper and half the yogurt. Cover and simmer very slowly for about one hour. Just before serving combine the cornflour and remaining yogurt together and stir it into the chicken. Season with salt and pepper and bring back to simmering point for a minute or two. Serve with some plain rice and the following two recipes if you are entertaining or cooking for six.

ZUCCHINI ALLA STENT

Zucchini, peppers and tomatoes in equal quantities; 1 tablespoon (approx) mild lime pickle finely chopped; 1 scant teaspoon oil.

Skin the tomatoes. Finely slice all the vegetables. Lightly heat the oil in a terracotta saucepan and sauté the vegetables without salt, adding the pickle after about two minutes. Serve when the zucchini have softened but still have a bite.

If you wish to have a real feast of fairly exotically spiced dishes, add the following dish to the menu and have friends round. That's what I did

ITALIAN OKRA WITH BROWN KIDNEY BEANS AND CHILLIS
(Serves 6 or more)

¾ lb fresh okra; 6 large fresh green chillis; 2 large cloves garlic; 1 tablespoon oil; 1 14 oz can brown kidney beans (they come from Italy); 1 medium sized boiled potato; 1 tablespoon apricot chutney; 1 tablespoon mango chutney; 1 tablespoon vinegar; 1 tablespoon tomato purée; 1 teaspoon black mustard seed; salt.

In a terracotta saucepan brown the garlic in the oil and add mustard seed. Deseed and slice the chillis into thin strips, then gently fry them with the garlic and mustard seed. Drop the okra into boiling water and cook until tender but still with a bite (approximately eight minutes). Refresh under cold water and set aside. Cube the potato and drain the beans.

Combine all these in the saucepan with the chillis and bring to simmering point, then add the chutneys, tomato pureé and vinegar, seasoning with a little salt. Simmer for a further three or four minutes. Serve hot, tepid, or even cold.

A really delicious way of cooking small potatoes in a Stent terracotta casserole in a very hot oven is this:

Wash but do not peel the potatoes and pack them into the casserole, sprinkle over them a tablespoon of lemon juice and a teaspoon (or more) of oil, a little salt and a generous bunch of fresh mint or any fresh herb of your choice (thyme is great or even dried rosemary). Put on the lid and shake the potatoes about in the dish. Cook for about three quarters of an hour, depending on the temperature of your oven and the size of the potatoes. Take out of the oven and shake twice during the cooking time.

If you have some cold chicken to finish up, almost scraps perhaps, the following recipe makes a good and easy supper dish for two.

NOT JUST AN OMELETTE

The pickings off a cold chicken; 1 generous teaspoon cumin seed; 1 generous teaspoon sesame seed; ½ teaspoon coarsely ground black pepper and coriander mixed; scant dessertspoon olive oil; 1 or 2 finely chopped cloves of garlic; 1 teaspoon mild lime pickle with the lime flesh, finely chopped; 2 cold cooked potatoes; 2 generous tablespoons youghurt; 6 eggs.

In a flameproof terracotta saucepan fry the garlic, seeds and lime pickle, add the ground pepper and coriander. Cut the potatoes into small pieces and, with the chicken, gently fry them in the garlic and spice mixture. Beat the eggs and yogurt together and pour over the chicken mixture.

Stir over a fierce heat until the eggs just begin to set, then transfer to a very hot oven or under the grill for about five minutes according to taste and the temperature of oven or grill. Some garlic bread and a simple salad are all that you need to accompany this dish.

Drawings by Frank Wheeler

A selection of the Stent Linea "Terra Cotta" ware. It is sold by most good kitchen shops and department stores and prices start at about £3.80 for a 16 cm round dish and go up to £11.20 for a 24 cm "Marmite."

BRIDGE

E. P. C. COTTER

I HAD BEEN explaining the mechanics of the Elimination and Throw-in to some friends of mine, and not long afterwards I arranged a small team-of-four match. I played for one team, and on an early board this deal occurred:

N
♠ A J 6 4
♡ 7 6 3 2
♢ A 9
♣ K 8 6

W
♠ K 9
♡ Q J 10 8
♢ K 8 4 3 2
♣ 7 5

E
♠ 7 5 2
♡ 9
♢ Q J 7 6
♣ Q J 10 9 3

S
♠ Q 10 8 3
♡ A K 5 4
♢ 10 5
♣ A 4 2

With East-West vulnerable I dealt in the South seat and opened the bidding with one spade, my partner raised to three spades, and in spite of my minimum I pushed on to four. West led the Queen of hearts, on which East dropped the nine.

Prospects were not bright. I had a loser in each minor suit, a possible trump loser, and I did not like that nine of hearts which East had produced. Trumps had to be tackled, so I led my Queen, West covered—that was a relief—and dummy's Ace won. I drew two further rounds of trumps with Knave and ten, West throwing a diamond. How were the hearts breaking? In case of a 4-1 split, I thought I would eliminate diamonds, so I played my five and finessed dummy's nine. East won with the Knave, and returned the club Queen. I won in hand, led a low heart, and as I feared, East showed out. West returned another heart to my King.

There was only one hope—that West, known to have two spades and four hearts, had no more than two clubs. I cashed the club King and the diamond Ace, and threw West in with a fourth round of hearts. West had to give a ruff discard by a diamond return, and I was home.

It was satisfying to be seen to practise what one preaches—some people, I feel, think that these coups occur only in books.

In my next hand from rubber bridge the declarer missed a fairly easy endplay:

N
♠ K 9 7 6
♡ A J
♢ 10 7 4 3
♣ K 7 2

W
♠ —
♡ 10 8 6 4 2
♢ K Q 8
♣ Q 10 8 5 3

E
♠ Q J 3
♡ K 9 7 3
♢ 6 5 2
♣ J 9 6

S
♠ A 10 5 4 3 2
♡ Q 5
♢ A J 9
♣ A 4

At game all South dealt and bid one spade, and bid four spades after receiving a double raise from his partner.

West led the heart four, and the declarer, purring contentedly, finessed the Knave in dummy. East won with the King, and switched to the five of diamonds. South finessed his nine, the Queen won, and West returned a heart to the Ace. When the spade King was played, South learned that he had a trump loser, and with the diamond King offside, he had to go one down.

No one denies that South ran up against some bad breaks, but he had a cast-iron play for his contract. He should win West's opening lead with the Ace of hearts, cash Ace, King of trumps, and follow with three rounds of clubs, ruffing the third in hand. Now he exits with the Queen of hearts. East wins, cashes his trump Queen, and leads a diamond. The declarer's nine loses to the Queen, but West is securely endplayed and cannot avoid giving South his tenth trick.

CHESS

LEONARD BARDEN

CHESS micro-computers had a sales boost last month when the newest West German model, Mephisto III, was one of only two opponents to draw in a 21-board simultaneous exhibition by world champion Karpov in Munich. Earlier, Karpov had won first prize at the Mephisto international tournament in Hanover.

Examination of the game shows that Karpov chased Mephisto's king round the board and missed a clear winning chance before drawing by perpetual check. But Mephisto III, an improved reprogramming of an earlier model, retails in its portable version for around £380 (with electronic sensor board) and is a strong new competitor. Established home computers include Fidelity Sensory 9 (about £170) which came out best in several 1982 surveys; and Fidelity Prestige, the £880 model which has one or two impressive tournament results in competition against humans.

These three chess computers are all currently available in specialist shops, but the strongest U.S. program, Belle of Bell Telephone Laboratories, runs only on an industrial machine. In 1981 Belle defeated an international master opponent in 17 moves, while in 1982 it tied for second place in the U.S. Speed Championship (10 minutes per game) against some of America's strongest masters. Belle has not yet recorded any major achievements in 1983. Their range of abilities at various levels make home computers a major attraction for inexperienced players. Tuned to the minimum skill level and the fastest playing time, they are encouragingly easy for the novice or learner to beat; at slower speeds they are a match for the moderate club player.

This Karpov game is taken from Chess Computer News, available at 85p from Competence, 263A, Eversholt Street, London, N.W.1. Under the rules of simultaneous play, Mephisto was obliged to move as soon as the world champion reached its board. Its operator pressed an "interrupt" button which caused it to immediately play the best move it had found so far, even if it was still in mid-search.

White: A Karpov.
Black: Mephisto III.
Ruy Lopez (Munich 1983).

The opening moves were 1 P-K4, P-K4; 2 N-KB3, N-QB3; 3 B-N5, N-B3; 4 O-O, NxP; 5 P-Q4, PxP?

Karpov has found a lacuna in Mephisto's opening program. Correct is 5 . . . N-Q3 to keep the king's file closed.

6 R-K1, P-KB4; 7 NxP, NxN; 8 QxN, K-B2.

A radical decision, compelled by the threat P-KB3 winning the knight.

9 B-B4 ch, P-Q4; 10 BxP ch, B-K3; 11 BxB ch, KxB.

Now if 12 QxQ, RxQ; 13 P-KB3?, B-B4 ch; 14 K-B1, B-B7 puts Black well into the game. Karpov instead goes for a strong exchange sacrifice, though he could also have kept up the pressure without material risk by 12 Q-Q3.

12 RxN ch, PxR; 13 QxP ch, K-B3; 14 N-B3, P-B3; 15 B-K3, B-K2; 16 R-K1, Q-Q2; 17 Q-B4 ch, K-N3.

If 17 . . . Q-B4; 18 B-Q4 ch, K-N3; 19 QxQ ch, KxQ; 20 RxB wins.

18 P-KR4, Q-B4.

Karpov threatened 19 P-R5 ch, KxP; 20 Q-B7 ch, P-N3; 21 B-B4 followed by R-K5 ch when Black is soon mated.

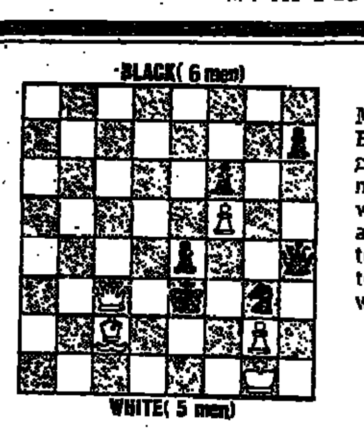
19 P-R5 ch! QxP; 20 B-Q4?

Karpov misses the forced win 20 P-KN4! Q-QR4; 21 P-QN4! BxP (QxNP; 22 Q-B5 mate); 23 B-N6! PxB; 23 R-K6 mate.

20 ... B-B3; 21 P-KN4; Q-KN4.

Now there is only a draw. The game ended 22 Q-K4 ch, K-B2; 23 Q-K6 ch, K-N3; 24 Q-K4 ch, K-B3; 25 Q-K6 ch, K-N3; 26 Q-K4 ch, drawn.

BLACK (6 men)



WHITE (5 men)

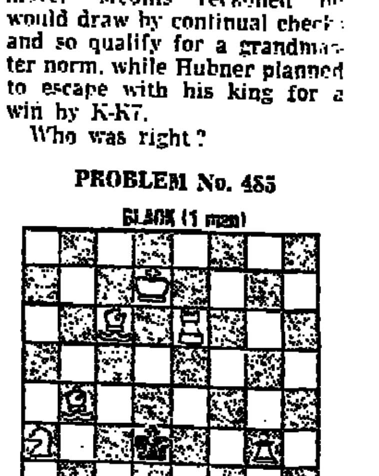
POSITION No. 485

A might-have-been from Mednis v Hubner, Houston 1974. Both players aimed for this diagram with Hubner (Black) to move. Mednis reckoned he would draw by continual check and so qualify for a grandmaster norm, while Hubner planned to escape with his king for a win by K-K7.

Who was right?

PROBLEM No. 485

BLACK (1 man)



WHITE (6 men)

White mates in three moves, against any defence (by G. Glass). Like many problem miniatures, this can prove either simple or a brain baffler according to whether your chess eye spots the composer's trick.

Solutions Page 12

Checking it out

Everywhere you looked on the left-hand pages of the Radio Times last weekend, there were the magic words "New series." I really meant to start with Mark Page on Radio 1 at 6 am on Saturday ("Good music and early-morning fun"), but I overslept. My next appointment was with *Random Jottings of Hinge and Bracket* on Radio 2 on Sunday at 1.30, which meant missing half of *The World this Weekend*: but nothing was likely to have happened at Brighton by that time to disturb my siesta, so Hinge and Bracket it was.

They're a strange phenomenon, two no-longer-young men devoting their lives to impersonating highbrow middle-class ladies. At their best, they sing, but in this programme they only sang "Happy birthday to you," and that without any musical variations. Instead, they chatted and giggled together over Dame Hilda Bracket's old diaries, which Dame Hilda thought might prove as interesting as Fanny Burney's Fanny Burney! — and the studio audience raised a laugh.

RADIO

B. A. YOUNG

Who will complain of any lack of intellectual pabulum on Radio 2 now? I thought the programme fairly good lunch-time fun, and the eponymous duo were well supported by Jean Haywood and, of all people, Graham Crowden. (Dr Evadne Hinge and Dame Hilda Bracket are billed under those names; and who knows what their real names are, or cares?)

Back to Radio I for another new series at two o'clock, but it's only a matter of an already familiar disc-jockey at an unfamiliar time. Steve Wright was given two whole pages of publicity in the Radio Times, not to mention a portrait on the cover. Like most DJs, Steve Wright's particular talent is to go on doing the same things with variations.

He made a joke, then played a disc; there was some sound from the Afternoon Boys, his studio team another disc and a time-check. There were lots of time-checks, and some day-checks, Steve having had a new jingle made to emphasise his new appearance on the Sabbath. It says "Steve Wright on Sunday Afternoon." For me, half an hour was enough; but then, I don't think this sort of programme is meant to be listened to attentively.

Radio 2 came up again at 5 o'clock, with a quarter-hour instalment of another new series, *The Fosdyke Saga*.

It deals with the adventures of the Fosdyke family of 14, Insanitary Cottages, Griddlesbury, Lancs. When Josiah Fosdyke hears the crying of another baby he hadn't reckoned on, he decides that the lot of them must pull out of Griddlethorpe, where he works for Sweatthorpe's Colliery, and emigrate to Manchester. "I hear they cough differently in Manchester," says his wife optimistically.

Does this sound like a lot of pretty old jokes? Perhaps it does; but as Bill Tidy and John Junkin have adapted it from the Daily Mirror cartoon it is very funny indeed. Well played too; Philip Lowrie (trained by his early years in *Coronation Street)* is Fosdyke, Stephanie Turner is his wife Rebecca, and Colin Douglas is Ben Ditchley, the Manchester businessman who, under the pretence of charity, adopts the family to add to his staff of wage-slaves making black puddings and tripe. And anyway, if Steve Wright can count on the attraction of his repeated jokes, why not Fosdyke?

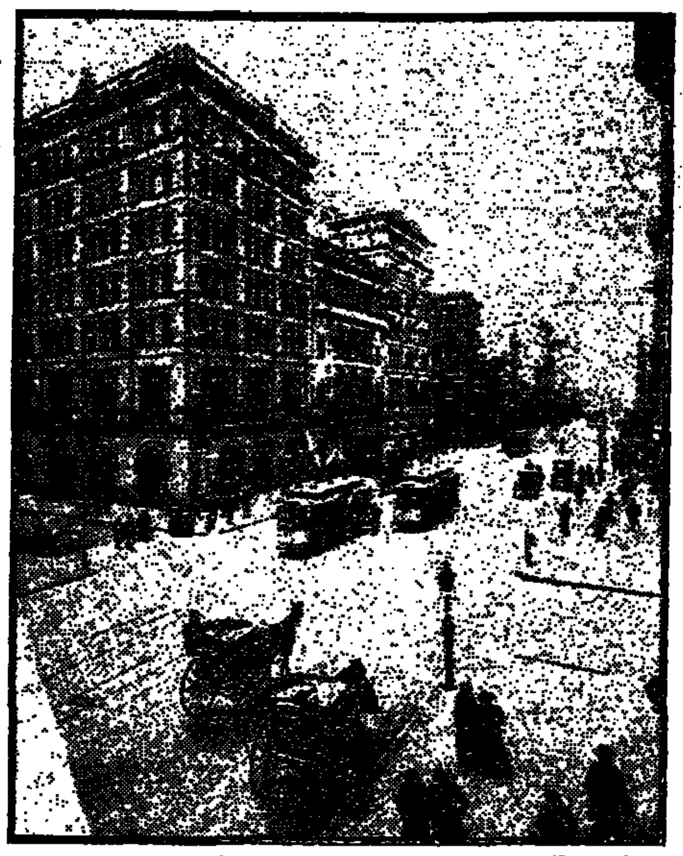
Not part of a new series, but of Capital Playhouse, Capital on Sunday introduced a cunning gimmick into Sunday's play—the use of CB radio talk into what was really a fairly simple romance. It began with a trick from *Cyrano de Bergerac*, when Basil, the hero (black, incidentally), was coached in the words he must use over the air to captivate a lady breaker (female citizens-band radio operator). To cut a long story short, the lady breaker turns out to be the girl from his office. On the air, they were Hot Lips and Black Sting, riding in Porsches and things. CB radio is essentially a dream.

Peter Simpkin's script showed the characteristics of Capital Radio. The participants were young and working-class, if we're still allowed to use that phrase. The hero, as I said, was black, but his voice was pure Cockney; at a disco scene, he and his Greek friend Nick were involved in a colour-conscious punch-up. Herbert Norville played Basil, Sharon Rosita his girl Gloria, George Savvides was the malapropist Greek, and Anthony Cornish was the director. No masterpiece; but interesting for the fresh background of the CB freaks.

Life and times of the Met

Celebrate, exhorts the schedule leaflet in capital letters. For the opera-lover visiting New York, the current celebrations of the Metropolitan Opera's first 100 years are to be enjoyed not just in the performances, but in a variety of special events aligned to the opening months of the season. Met flags fly along Broadway between 60th and 65th streets; the Channel Gardens of Rockefeller Center are decked out in blooms of red and gold; the big department stores offer their individual window tributes.

Of greatest value, though, are the centennial exhibitions. The history of opera in New York—of which the Met's history comprises the most substantial but not the single chapter—falls into three segments: the pre-history (including the rise of the Academy of Music and the various other operatic enterprises that preceded and in some cases briefly survived the opening of the "yellow brick brewery" on 39th and Broadway); the life and times of the old Met, 1883-1966; and the one-and-half decades of the present house.



The Metropolitan Opera House in the nineteenth century

Memorabilia

Of the pre-history there is a compact small demonstration at the New York Historical Society on Central Park West (until the end of the month) which in posters, cartoons, and souvenirs vividly conjures up the fly-by-night nature and quality of some of the enterprises in the early days. The major retrospective, however, is the exhibition at the Performing Arts Library (New York Public Library at Lincoln Center, until mid-February), which affords an amply documented guide through the successive regimes and artistic waxings and wanings of the Met in both old and new theatres.

The organisation of the show evinces no special stylistic attraction beyond simple block display, and the catalogue is thin and garish, not serious and scholarly. But the collection of memorabilia will keep both student and fan in fixed and fascinated attendance for hours on end. Photographs, costumes, set-models, and props make up most of the exhibition; the costumes give a peculiarly poignant sense both of their original occupants and of the period of their production—Geraldine Farrar's Manon dress is covered from head to foot in pearl tasselling, Jeritza's ten-foot Turandot cape and train in black velvet is fantastically encrusted, and—particularly evocative—the Ponselle Nora gown, spiralling down a couple of steps, draws on memories of the famous photograph. Cases of letters and telegrams, including an extraordinary expression by Fremstad of belief in Wagner in English, fill the second room.

Manuscripts

A note on two opera exhibitions matched, not directly related to, the centenary. At the Grolier Club, 47 E60th Street (final showing today), designs and costumes from the Robert L. B. Tobin collection chart the history of designing for the opera in a series of memorable treasures. The Pierpont Morgan Library, under the heading *Four Centuries of Opera*, has released some of its incredible riches in the form of manuscripts and printed editions—notable among them autographs of Gluck, Mozart, Rossini and Donizetti.

Unlike the other shows, this one supplies a full, scholarly, and indispensable catalogue, published by Dover Press. Students will also need to take note of the centenary volume chimed to the occasion—*The Met—One Hundred Years of Grand Opera* by Martin Mayer, a glossy history, rather jazzily written but with a strong grip on the subject, beautifully decorated, disappointingly catalogued. It is published here by Thames and Hudson (at £20) on October 17.

MAX LOPPERT

Prophets boosted

"We've heard of spirits roaming, of ghosts talking," rumbles host Raymond Burr in *The Amazing World of Psychic Phenomena* (Rank); "we've heard about these things. But *some* have been sceptical." And fixing us with an iron glance, he leaves us in no doubt who those "some" are.

Here, to remove all scepticism, we witness the most alarming phenomenon of all: Raymond Burr walking. Ex-Detective Ironside casts aside his wheelchair and ambulates, even though his territory is only a book-crammed library from which he comperes this diverting documentary about the spirit world. Taken in the same swallow as *The Man Who Saw Tomorrow* (Warner Home Video), it makes a bracing brace of feature-length videos about clairvoyance. In the latter it's Orson Welles prowling a vellum-choked library as our guide round the life and prophecies of Nostradamus. Like Burr, he intones his deep-throat verities — "Incredible? Hrrmph. But true." — from a bulk resembling that of a fractious schoolmaster who has been inflated with a bicycle pump by mischievous pupils.

Up in the astral plane where these films were conceived the makers obviously conflated metaphor with reality and decided their comperes would carry more weight if they ... carried more weight. Oft-times the films shoot out from the library into gobbits of newsreel and archive footages or dramatised history. This is all vigorously put together. In the Welles' film we plug into footage recreated and real (respectively) of Napoleon and Adolf "Hister" — both of whom Nostradamus apparently foresaw, give or take a wrong letter—and we end with Arabs dashing about the world in illustration of N's unnervingly plausible prophecy that the world will end with an inflamed Middle East conflict.

In the Burr opus we skirmish with more general psychic kickshaws like telepathy, telekinesis and faith-healing. There are snippets of a psychic investigator solving a murder, of the Aberfan disaster, apparently intimated beforehand by the townspeople, of out-of-body experiences, of households where "psychokinetic energies are unknowingly released" (*aka* poltergeists) and of a man who points a camera at his head and allegedly films his thoughts.

These out-of-library experiences, we're assured, are wholly based on truth; though they're often no more doubt-proof to the laymen than the burblings of Big Daddies Burr and Welles. (Would you buy a used premonition from these men?) But never mind: documentaries like this are huge fun anyway—even if you disbelieve them, they set the imagination whirring. And just occasionally a frisson of recognition will set off your own paranormal recall.

I have definitely had the experience, for example, of the vanishing pen and paper and even of the de-materialising typewriter. It usually happens on mornings when I sit down to write.

Monty Python have their own line in paranormalcy, and it's joyously preserved in *Monty Python Live at the Hollywood Bowl* (EMI). Although this revue is filmed in cost-cutting video, making it resemble a nocturnal rally for ectoplasms, it contains nearly all the team's best sketches and is much funnier than *The Meaning of Life*. Marvel at the dead parrot, the cheese shop, the Ministry of Silly Walks and the wild enthusiasm of the open-air American audience.

And lastly for something completely different. Stanley Kubrick's *Barry Lyndon* (Warner Home Video) received as many brickbats on its release as his later *The Shining*: from critics who thought Kubrick was "doing a genre" and not doing it very well. But Kubrick doesn't do genres, he does Kubricks. Using a picaresque costume romance as stalking-horse, he's made a movie closer to *2001* than to *Tom Jones* or *The Beggar's Opera*. He turns Ryan O'Neal through 360 degrees of emotional self-discovery as surely as the weightless stewardess was revolved in *Space Odyssey*.

VIDEO

NIGEL ANDREWS

And once again familiar art models (the paintings of Gainsborough, the music of Bach and Mozart) are used as a trampoline on which to bounce wholly new ideas.

The loss of wide screen is regrettable (See it first in a cinema if you can). But in other respects, especially colour, Warners' video transfer is good.

Black Theatre season opens

BY MARTIN HOYLE

Steve Carter's off-Broadway success launches a Black Theatre season at the Arts Theatre, Great Newport Street, with offerings from three more companies to take us up to Christmas.

I imagine the varied programme will reveal something more innovative than this well-tailored slightly old-fashioned family drama which, the all-black cast apart, is not so different from the commercially acceptable "thoughtful" American theatre of Hellmann or Inge.

A West Indian family, established in New York and apparently prosperous landlords (the cumbersome three-tier set that needlessly protracts at least two emotional running exits gives no indication), frets in guilt and frustration round the man of the house, a polio victim in an iron lung. One sister channels pent-up sexual feelings into an unhealthy possessiveness; another longs to break free with her good-hearted roughneck boyfriend from back home. The wife, newly attracted to a local, is shackled by guilt at her unfaithfulness just before her husband's paralysis.

The respirator dominates the stage: T-Bone Wilson's head alone is visible, his face reflected to us in a slanted mirror. He musters enough authority to exorcise his family of their neuroses and to invite his death by the merciful turning off of the machine. "It's my life, not yours," he argues, unfortunately recalling a better play on a similar theme.

The writing's occasional lapse into melodrama is emphasised by spasmodic delivery, though Mona Hammond's declaration of love for her now middle-aged childhood sweetheart is straightforward and touching. Isabelle Lucas is too maternal and soft-hearted to suggest implacable puritanism and seething repressions; and surprisingly little is made of cultural differences between West Indians and Americans in the '50s.

F.T. CROSSWORD PUZZLE No. 5,237

"RED HERRINGS"

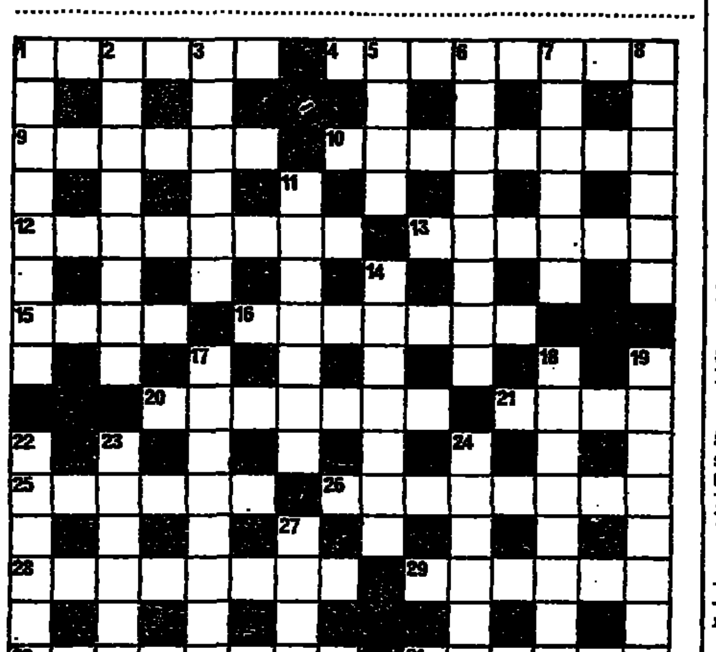
Each clue contains a one-word definition of the required word, together with a mixture of its letters. (Every such anagram either begins or ends in a whole word.) All other indications are red herrings.

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



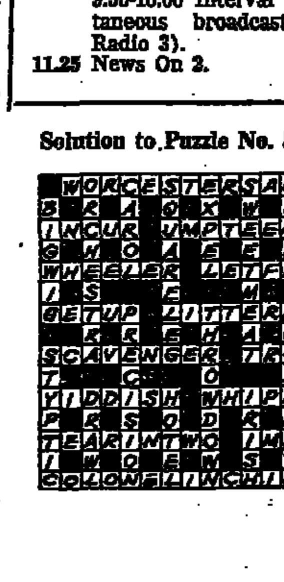
ACROSS

1 U-boats observed off African coast (6)
4 Shape mitral valve assumes in hearty conditions (8)
9 Material expensively priced and sold in yard lengths (6)
10 When one is hungry, a tureen is a welcome sight (8)
12 Travellers report it is not unusual to find a snake in Idaho pine-forests (8)
13 Needing a further score, Coventry produced some fine football (6)
15 Antique watch once owned by Samuel Pepys (4)
16 Anxious to shift mice, he's setting traps (7)
20 Flower producing hardy bud, really colourful in borders (7)
21 Her husband was a vestryman (4)
25 Unfortunate mistakes cause many a familiar tear to fall (6)
26 Only the hardest side could have stopped the British Lions on tour (8)
28 What is wrong with my parakeet? Lord! I've bought no food for him! (8)
29 Minimal cut in the price of washing powder (6)
30 Rider added to will can harm one's expectations (8)
31 As rent becomes due, some people fall behind with payments (6)

DOWN

1 Ship's sheet found in Red Cove, by Penzance (8)
2 One's path obstructed by a runaway carriage (8)
3 Blade has to be properly tooled to be so sharp (6)
5 Most socks do not match shoe colours (4)
6 Pies poor in quality—it won't be a whale of a picnic (8)
7 Some fine competitors in the race Emsley-Carr promoted (6)
8 Stallion I enter falls at first fence at Aintree (6)
11 He, a daft sort, is inclined to fool about (7)
14 Simple individual insinuates himself into company (7)
17 Is this a fit time to effect some late business? (8)
18 Striped ties chap bought cheaply in jumble sale (8)
19 Sower who has been working long hours needs massage treatment (8)
22 Musician in toast to the Hallé Orchestra (6)
23 Visiting cricketers have arrived in St John's Wood (6)
24 Poor student fails Northern examinations (6)
27 Professor delivers a tract on ear-ache (4)

Solution to Puzzle No. 5,236

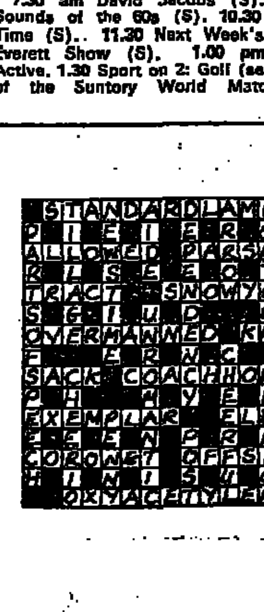


SOLUTION AND WINNERS OF PUZZLE NO. 5,231

Miss J. Prior, 5 Downside, St Margaret's Bay, Nr. Dover, Kent.

Mrs A. M. Brewer, Norwood House, Castle Parade, Usk, Gwent NP5 1BU.

Mr G. G. Dobson, Greysteads Private Hotel, 43 Norfolk Road, Carlisle, Cumbria CA2 5PQ.



BBC 1

† Indicates programme in black and white

9.35 am Inch High Private Eye. 9.00 Saturday Superstore. 12.12 pm Weatherman.
12.15 Grandstand, including 12.45 News; Football Focus (12.20); Golf (12.50, 2.10, 2.40, 3.10, 3.55) The semi-final matches in the Suntory World Matchplay Championship; Racing from Ascot (1.50, 2.20, 2.50); Show Jumping (3.10, 3.55); Racing from The Curragh at 3.40; Final Score (4.35).
5.10 The Dukes of Hazzard.
6.00 News.
6.10 Regional Variations.
6.15 The Noel Edmonds Late Late Breakfast Show.
7.00 Blankety Blank.
7.35 Juliet Bravo.
8.25 Three of a Kind.
8.55 News and Sport.
9.10 Remington Steele.
10.00 Match of the Day Special.
11.35 Saturday Late Film: "The Child Stealer," starring Beau Bridges.

REGIONAL VARIATIONS:

WALES—6.10-6.15 pm Sports News Wales.

SCOTLAND—6.10-6.15 pm Scoreboard. 10.00-10.40 Mod '83. 10.40-11.35 Sportscene.

NORTHERN IRELAND—5.00-5.10 pm Northern Ireland Results (opt-out from Grandstand). 6.10-6.15 Northern Ireland News. 1.15 am Northern Ireland News Headlines.

England—6.10-6.15 pm London—Sport; South-West (Plymouth)—Spotlight Sport; Other English regions—Sport/Regional News.

BBC 2

10.50 am Golf from Wentworth Golf Club: The Suntory Matchplay Championship.
11.50-2.20 pm Open University.
†3.10 Spencer Tracy Double bill: "Captains Courageous," and at †5.05 "Test Pilot."
7.00 Grand Slam.
7.25 News and Sport.
7.40 Fly On The Wall.
8.10 Opera Night: Humphrey Burton introduces tonight's opera: "The Marriage Of Figaro," Hermann Prey, Mirella Freni, Dietrich Fischer-Dieskau, Kiri Te Kanawa in Jean-Pierre Ponnelle's film of Mozart's opera, including 9.55-10.00 Interval (simultaneous broadcast with Radio 3).
11.25 News On 2.
11.35 Golf highlights.
†12.25-12.55 am The Twilight Zone.

6.25 am TV-am Breakfast Programme. 9.25 LWT Information. 9.30 Sesame Street. 10.30 The Saturday Show.

LONDON

12.15 pm World of Sport: 12.20 Ice Hockey; 12.45 News; 12.50 On The Ball with Ian St John and Jimmy Greaves; 1.20 The ITV Six from York and Ayr (introduced by Brough Scott and Jim McGrath); 2.55 Snooker — Jameson International Open; 3.45 Half-time Soccer Round-up; 4.00 Snooker; 4.45 Results.
5.00 News.
5.05 The Krankies Klub.
5.35 The Fall Guy.
6.30 Game For A Laugh.
7.30 Punchlines.
8.00 Hart To Hart.
9.00 News and Sport.
9.15 Adult Movie: "The First Deadly Sin," starring Frank Sinatra and Faye Dunaway.
11.20 Snooker — The Jameson International Open.
12.15 am After Midnight.
1.00 London News Headlines, followed by Thin Lizzy and Night Thoughts with Tim Dean.

CHANNEL 4

1.55 pm A Kind Of Living.
†2.20 "Rasputin And The Empress," starring Ethel, Lionel and John Barrymore.
4.30 The Chicago Teddy Bears.
5.05 Brookside.
6.00 Video Video.
6.30 News Headlines, followed by Flashback.
7.00 A Working Faith.
7.30 Six Years.
8.00 The Oresteia At Epidaurus.
9.00 The Avengers.
10.00 Fox.
11.00 For 4 Tonight.
11.30 The Refuge Assurance National Tennis Championships.

S4C (WALES)

2.20 pm A Week in Politics. 3.05 Claret and Chips. 4.00 The Amateur Naturalist. 4.25 Making the Most of. 4.55 Yr and Awr Fawr. 5.55 Superted. 6.05 The Incredible Hulk. 7.00 Newyddion Saith. 7.15 Gair o Wlad Y Sais. 7.45 Gwen Tomos. 8.35 Ladybirds (Bernice Reading). 9.20 Y Maes Chwarae. 10.10 Charterhouse of Parma. 11.10 Follow the Nation's Health. 12.05 am The Refuge Assurance National Tennis Championships.

REGIONS

IBA Regions as London except at the following times:

ANGLIA

9.35 am Falcon Island. 10.05 Vicky the Viking. 5.35 pm Knight Rider. 12.25 am At the End of the Day.

BORDER

9.25 am Cartoon Time including the Wonderful Stories of Professor Kitzel. 9.40 Tarzan. 5.35 pm Knight Rider.

CENTRAL

9.25 am The Wonderful World Of Professor Kitzel. 9.30 Vicky The Viking. 9.55 Wattoo, Wattoo. 10.00 Terrahawks. 5.35 pm Knight Rider.

CHANNEL

9.25-11.00 am Saturday Space—Stingray, followed by Space 1999, followed by Puffin's Space. 5.05 pm Puffin's Pla(i)ce. 5.40 Knight Rider.

GRAMPIAN

9.35 am The Smurffs. 10.05 The Adventures Of Gulliver. 5.35 pm Knight Rider. 12.20 am Reflections.

GRANADA

9.25 am Chickadee Chuckwagon. 9.40 Sport Billy. 10.05 Vicky the Viking. 5.35 pm Knight Rider. 12.20 am Hawaii Five-O.

HTV

9.30 am Sesame Street. 12.13 pm HTV News. 5.35 Knight Rider. 12.15 am That's Hollywood.

SCOTTISH

9.25 am Storytime. 9.35 Stingray. 10.05 Happy Days. 5.35 pm Knight Rider. 12.15 am Late Call.

TSW

9.25 am Dick Tracy. 9.30 Fashion Extravanganza. 10.28 Gus Honeybun's Magic Birthdays. 10.30 Metal Mickey. 11.00 Little House on the Prairie. 11.45 The Pruitts of Southampton. 12.12 pm TSW Regional News. 5.05 Newsport. 5.40 Knight Rider. 12.15 am Postscript.

TVS

9.25 am Wattoo Wattoo. 9.35 The Smurfs. 10.00 Terrahawks. 12.12 pm TVS Weather. 5.35 Knight Rider. 12.15 Company.

TYNE TEES

9.25 am Morning Glory. 9.30 Gather Your Dreams. 10.00 TT Time. 10.05 The Adventures of Gulliver. 12.13 pm North East News. 5.05 North East News. 5.40 Knight Rider. 12.15 am Rock Around Midnight. 1.10 Poet's Corner.

ULSTER

9.25 am Space 1999. 10.20 Cartoon Time. 5.35 pm Knight Rider. 12.15 am Late News.

YORKSHIRE

9.25 am Melotoons. 9.40 Little House on the Prairie. 5.35 pm Knight Rider. 12.15 am Late Night Drama.

RADIO 1

(S) Stereophonic broadcast.

8.00 am Tony Blackburn's Saturday Show. 10.00 Dave Lee Travis. 1.00 Rock Lists Show (S). 2.00 Paul Gambaccini (S). 4.00 Saturday Live (S). 6.30 In Concert (S). 7.30 Janice Long. 10.00-12.00 Gary Davies.

RADIO 2

7.30 am David Jacobs (S). 9.30 Sounds of the 60s (S). 10.30 Album Time (S). 11.30 Next Week's Kenny Everett Show (S). 1.00 pm Radio Active. 1.30 Sport on 2: Golf (semi-final of the Suntory World Matchplay); Racing from Ascot at 2.30 3.00 and 3.35; Tennis: The Refuge Assurance National Championships; Football, including second-half commentary from 3.55; 5.00 Sports Report, including 5.00, 5.50 Football results and 5.45 Racing Bulletin. 6.00 Country Greats in Concert. 7.00 Beat the Record. 7.30 More Melodies For You (S). 9.30 Big Band Special (S). 10.00 Saturday Rendezvous (S). 11.02 Sports Desk. 11.10 Pete Murray's Late Show (S). 2.00-5.00 am Bill Rennells presents You and the Night and the Music (S).

RADIO 3

8.00 am News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.00 Robert Mayer Concert (S). 12.15 pm Haydn Quartets played on authentic instruments (S). 1.00 News. 1.05 Brahms Lieder (S). 2.00 Sir Adrian Boult (S). 3.00 Jazz Record Requests (S). 3.45 Critics' Forum. 4.35 Jean-Philippe Rameau (S). 7.40 Another World (S). 8.10 "The Marriage of Figaro," Mozart's opera in four acts (sung in Italian). A simultaneous broadcast with BBC 2 (S) (9.55-10.00 Interval). 11.25-11.28 News.

RADIO 4

7.00 am News. 7.15 On Your Farm. 7.45 In Perspective. 7.50 It's a Bargain. 7.55 Weather; Travel; Programme News. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.46 Breakaway including 8.57 Weather; Travel and 9.00 News. 9.50 News Stand. 10.05 Conference Special. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News; Money Box. 12.27 Just a Minute (S). 12.55 Weather; Programme News. 1.00 News. 1.10 Any Questions? from Dibden Purlieu, Southampton. 1.55 Shipping Forecast. 2.00 News. 2.05 Thirty-Minute Theatre (S). 2.35 Medicine Now. 3.05 Wildlife. 3.30 Worlds of Faith (S). 4.00 News: International Assignment. 4.30 Does He Take Sugar? 5.00 Landscapes of the Night. 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather; Travel; Programme News. 6.00 News; Sports Round-up. 6.25 Desert Island Discs (S). 7.05 Stop the Week with Robert Robinson (S). 7.45 Baker's Dozen with Richard Baker (S). 8.30 Saturday-Night Theatre (S). 9.45 Letter From Old Japan. 9.58 Weather. 10.00 News. 10.15 Dear Kath (S). 11.00 Lighten Our Darkness. 11.15 Hot Air. 11.45 The Anatomy of a Retirement. 12.00 News.

BBC RADIO LONDON

7.32 am Good Fishing. 8.04 London Today. 9.03 Inside London. 9.30 Robbie Vincent's Saturday Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 6.00 Guideline. 6.30 Evening Star. 7.30 Hold the Front Page. 8.00 Radio Replies. 8.30 Good Fishing. 9.00 All Black. 12.00-5.00 am Join Radio 1.

LONDON BROADCASTING

10.00 am Jellybone with Clive Bull. 12.00 LBC Reports with Des Fahy. 1.00 pm Sportswatch with Dominic Allen. 6.00 LBC Reports with Des Fahy. 7.00 Get Mail: News and Music for the Asian Community. 8.00 LBC's Children's Party. 9.00 LBC—Ten Years On. 10.00 Nightline with Phillip Hodson. 1.00 am Night Extra.

CAPITAL RADIO

10.00 am Pick of the Pops Take Two with Alan Freeman. 12.00 Mike Allen's Music Centre. 2.00 pm Duncan Johnson's Afternoon Delight. 5.00 Gary Crowley's Magic Box. 7.00 The Greg Edwards Soul Show. 9.00 Roots Rockers with David Rodigan. 11.00 Foreign Affair with Chris Gillett. 12.00 Midnight Special—Phil Allen.

CHESS SOLUTIONS

Solution to Position No. 485

Mednis. If 1 ... K-R7; 2 B-Q3 ch! PxB; 3 Q-K1 ch! draws by stalemate. If here 2 ... K-K6; 3 BxP dis ch draws for if KxB; 4 Q-B4 ch and 5 QxQ. Hubner saw this tactic coming too late, chose another plan, but still had to concede a draw.

Solution to Problem No. 485

1 R-R1, K-Q5; 2 B-K4, K-K4; 3 B-Q5 mate.

THEATRES

ALBERY. S 836 3878. CC 379 6565/930 9232. Grp bkgs 836 3962/930 6123. LAST TWO WEEKS. MUST END OCT 15. Evgs 8.0. Thur mat 3.0. Sat 4.30 & 8.15. JEAN ST. CLAIR, PETER CAFFREY. CHILDREN OF A LESSER GOD. Over 800 PERFORMANCES. PLAY OF THE YEAR SWET 1981. Pre-show dinner Tourment d'Amour/Stalls £12.90.

GLOBE. CC 01-437 1592. Andrew Lloyd Webber presents THE SMASH HIT COMEDY OF THE SEASON, DAISY PULLS IT OFF by Denise Deegan. Directed by David Gilmore. Evgs 8.0. mats Wed 3.0, Sat 5.0. Group sales 930 6123.

HER MAJESTY'S THEATRE. 930 6606-7. CC 930 4025-6. Evgs Mon-Sat 7.30 mats Wed & Sat 2.30. BUGSY MALONE. Group sales 01-930 6123. Credit card Hotline 01-930 9232. CHILDREN'S PRICES AT MOST PERFS. BOOK YOUR

7

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COLLECTING

Top prices for top cats

BY JUNE FIELD

"YELLOW CATS and blue cats, green cats and pink cats, and even pale heliotrope cats . . . the quaintest, oddest tribe imaginable," was how a reviewer described Louis Wain's futurist porcelain cats, modelled in 1914.

Now these "freak ornaments" that were "not exactly things of beauty," can command anything from £450 to £1,000 for the genuine article.

Cats have long inspired strong emotions. Christopher Smart wrote verses to his cat Jeoffrey in the 18th century, while Edward Lear had his new house in San Remo built to match the old one so that his tabby tom, Foss, would not feel strange.

Mark Twain even went so far as to declare that if a man could be crossed with a cat it would improve the man but deteriorate the cat.

Samuel Johnson's cat Hodge was fed on oysters in his old age, the painter Ingres was inconsolable for a year over the loss of his cat Patrocle, and Lord Chesterfield's cat was left a pension.

Louis Wain (1860-1939), is of course best known for his illustrations of cats. In an interview in *The Idler* of 1896, he said: "Our English cats are slowly but surely developing into stronger types, which have very little affinity with the uncertain and unstable creature of the tiles and chimney-pots."

As Brian Reade pointed out in the catalogue to the Victoria and Albert Museum's exhibition of Wain in 1972, his early cats "had the qualifications of a leisured caste. They had grace, aloofness . . . softness, mystery, prettiness . . ."

Between 1884 and 1914 Wain successfully drew his humanised cats for countless books, annuals and picture postcards. He should have been a rich man, but his reserve, dislike of bargaining and failure to retain any reproduction rights for his works, meant he received only a fraction of what could have been due to him.

He designed advertisements for teas made by Jacksons of Piccadilly, posters for the cinemas, and film animation for *Pussyfoot*, the original cartoon cat. (Pat Sullivan's "Felix" did not appear until the 1920s.)

But the death of his wife in 1887 after only three years of marriage, mounting debts, overwork and a history of mental illness in the family finally contributed to his own breakdown in 1924, when he was taken to a mental hospital.

The varied nuances of expression in his work are brought to life in *Louis Wain's Cats* by Michael Parkin, published this week by Thames and Hudson at £5.95. The book is by the gallery owner who for the last 11 years has held "Cats of Fame and Promise" exhibitions every Christmas at 11, Motcomb Street, SW1.

The illustrations reflect the flamboyance and style of Edwardian England, with high-society cats wearing top-hats and monocles, playing tennis, cricket and ping-pong, flirting, drinking tea and making after-dinner speeches.

An exhibition to complement the book opens today 10-5 at Chris Beetles, 104, Randolph Avenue, London, W9, until October 23; prices range from £50 to £2,000, with most items under £500. Some attractive pen and ink drawings are in the £125 bracket. The illustrated catalogue is free for a large stamped addressed envelope.

Prices for Wain's works generally, have increased more than tenfold over the last decade. As a general guide, postcards are between £5 and £50 (a coloured card captioned "John, You have Another, All Is Over Between Us, Our Engagement Is Off," could be in the £20 bracket). Prints vary between £25 and £250.

"While the price of a postcard or print depends to a large extent on its rarity, the price of a watercolour is governed by the complexity of the picture or the appeal of the subject," says Michael Parkin, who always has a good selection of Wain's in stock.

A really nice watercolour like *The Uninvited Guest* grisaille and wash, c1905, 20 ins x 30 ins was on offer recently at £2,200. A black and white print of it was £46. A watercolour *Corks* (or "I didn't know that Perrier had a cork in it"), c1920, was £1,250. Later works such as the *Surprised Cat* and a *Psychotic Cat* c1926-1936, painted when he was in hospital are usually around £500 to £750.

"The Flirt with the Fan," watercolour featured both in the exhibition Louis Wain 1860-1939, which opens today at Chris Beetles, 104 Randolph Avenue, London, W9, and Michael Parkin's new book Louis Wain's Cats (Thames & Hudson).

When he was ill, the highly-coloured cats became more frenzied and jagged-looking until they disappear into kaleidoscope shapes. The margins are often cramped with delusional writing difficult to decipher. Chris Beetles observes: "At times the pictures reveal a beautiful tranquillity as animals live in harmony in bright utopian landscape."

There are accomplished fake Wains around, although the Parkin Gallery says it is easy to tell a wrong one: "In the originals all the hands and arms are in perfect proportion, and there is a certain mischievous sparkle in the eyes it is difficult for a forger to copy."

For those who want to further pursue the cult of the cat, there is Erika Bruce's "*The Cat Collector*" stand at Grays Antique Market, 58 Davies Street, London, W1, open 10-6 Monday to Friday.

Here there are cats galore, from some nice bronzes, pantomime posters (*Puss in Boots* is always in demand), and a Louis Wain jigsaw puzzle, featuring a scene in fairyland, published by Raphael Tuck in 1909 (£75); cheap china cats at their most kitsch are from £3, a Pierre Bonnard etching could be £1,200-plus.

A taste of Germany

WINE
EDMUND PENNING-ROWSELL

WE ARE, surprisingly enough, the biggest importers of German wines; and in the first six months of this year, disregarding the so-called "EEC wines" that look as if they are German but are really much more Italian, we brought in just over 20m litres.

As much as 70 per cent of these are likely to be Liebfraumilch, as that is a common estimate, though these EEC bastards may have knocked the blended wines sold under a variety of brand names. But certainly the percentage figure is very high, and this is a pity: rather as if 70 per cent of claret coming here were Mouton-Cadet. Nothing to complain about their authenticity in either case — at least for the better brands of the former, while the vintage Bordeaux Rouge of the latter is always well chosen.

But just as Bordeaux can produce such a wealth of fine red wines, so there is no lack of variety in Germany's 11 wine regions, although some of them, such as the Ahr and the Bergstrasse are too small to warrant a noticeable presence in the export market. Ninety per cent of Franconian wine is drunk within Bavaria, but the special quality of its wines and its much imitated *bocksbeutel* have made it known to a small band of amateurs.

Fine German wines are somewhat thinly represented on most wine merchants' lists here, and they would be still less so were it not for the Nazi expulsion of the Jews from Germany in the 1930s. O. W. Loeb, S. F. Hallgarten, Langenbach, F. and E. May, Sichel, Walter Siegel and Thoman — these are the importers who have brought most of Germany's fine wines to this country since the last war; which is not to overlook the contribution of Deinhard, owner of the largest slice of Bernkasteler Doktor, and a pioneer of German wine exporting for a great many years.

The reason for the relative scarcity is that German estate wines are considered difficult to sell. They seem to have very long names and there appear to be a great number of them: although the German Wine Law of 1971 cut them down from around 25,000 to 2,600.

In fact the long names and the rest of the plentiful printed matter on many German wine labels are there to assist and not to discourage. If it is possible for a single vineyard to produce up to seven or eight different classes of wine, that is how it is in the very special conditions in the northerly vineyards of the Moselle, Rhine and Main. For years the Alsatians — lying just to the south of the German Palatinate — have been grumbling at being allowed only a single appellation, and some of them have tried to get round it by calling their finer wines by such terms as Vendange Tardive (more or less the equivalent of the German Spätlese) or Grains Nobles (something like Auslese). Now, after years of arguing, some vineyards are being allowed to be called Grand Cru.

The German categories are based on the amount of residual sugar in the wine before fermentation — the must-weight, as it is called—and it is measured on the Oechsle scale. A Table Wine must register 44, Quality Wine 57, Kabinett 14, Spätlese 85, Auslese 95, Beerenauslese 125 and Trockenbeerenauslese 150. There are some regional variations, and in the particularly difficult Moselle-Saar-Ruwer district the levels are somewhat lower for Kabinett and upwards, save for Trockenbeerenauslese.

It cannot be denied that the sweeter types, generally from Spätlese upwards, are difficult to fit into our pattern of wine drinking with meals; and we are not accustomed, as the Germans are, to sitting down afterwards to a bottle or bottles of fine white wine. On a recent visit to the celebrated house J. J. Prüm at Wehlen near Bernkastel, no fewer than nine bottles were opened after dinner, from vintages going back to 1949, and culminating in a half-bottle of Wehlener Sonnenuhr Beerenauslese 1959. By no means all the bottles were emptied, but at the end of the evening no ill-effects resulted from such a libation. And this is one of the virtues of these low-strength German wines.

Here in Britain wines of up to Auslese standard make delicious aperitifs. They should also have a certain amount of bottle age, especially those of good vintages. The wines of the Moselle and its tributaries are particularly appropriate on such an occasion, as they tend to have good acidity, which provides a welcome freshness. The '71s and '76s are still delicious, though at more modest levels the '79s can be very enjoyable, and some '81s may be, though they need time to achieve a proper balance between sugar and acidity. It is seldom appreciated that young German wines of fine quality need laying down just as much as superior French red wines, though usually for less time.

However, fairly young Kabinett wines go very well with fish and opening courses; and so do the better quality wines if not oversweet.

Except for the Franconian wines which are often very dry, even austere, the other main regions—Rheingau, Rheinhesse and Pfalz (Palatinate)—produce rather fuller-style wines, and the grape to look for on the label is the Riesling, which has a better balance of acidity than the prolific Müller-Thurgau, which produces wines that lack crispness and can be very lumpish and "cart-horsey." Nor do I find the considerable number of new varieties that have spread in the last 20 years or so in any way equal in aroma and flavour to the Riesling. Though in the flatter if rolling vineyards of most of the Rheinhesse and Pfalz, the Riesling is little grown (about 5 per cent and 15 per cent respectively), it is the wine to look for.

One objection in the past to fine German wines—that they were expensive—is in general no longer valid in terms of comparison with classed-growth clarets or grand cru burgundies. In the last decade the Deutschemark has hardly helped us in relation to the pound, but nor always has the French franc.

SPORT

Boycott and the Yorkshire philosophy examined by
TREVOR BAILEY

You don't play cricket for fun

Boycott at the nets with Ray Illingworth (right) watching

THE YORKSHIRE attitude to cricket is summed up perfectly for me by a story about Len Hutton. He told the young Peter May, then at the threshold of a successful Test career: "Remember, Peter, you don't play cricket for fun."

The story is vital to an understanding of the saga of Geoffrey Boycott, sacked by Yorkshire just before his testimonial season which will raise at least £50,000.

For more than 100 years Yorkshire were the most important and powerful cricket county. Although there were accidents when clubs like Lancashire, Middlesex, Surrey and Notts would snatch the championship, Yorkshire would always be near the top and playing hard, efficient cricket—and an England XI without several of their players was unthinkable.

For Yorkshiremen cricket became a religion, with God, plainly a Yorkshireman, expecting His batsmen to score runs prolifically and without too much southern frivolity.

So frivolity was lacking. I remember when Jack Bailey, now secretary of the MCC, went to a Benefit Dance at Scarborough in the 1950s after a day's cricket between Yorkshire and Essex. Jack had been talking to four Yorkshire bowlers, all internationals. He was unable to believe, much to the amusement of Essex captain Douglas Insole and me, the petty jealousies between that distinguished quartet.

The simple truth is that a happy atmosphere is desirable, but not essential, in a side that is successful. But harmony becomes vital in a team when everything goes wrong. Yorkshire have found this difficult to understand because failure is something that hadn't happened to them until recent years.

In 1968 Yorkshire won the county championship under Brian Close. That was the year when the committee, under that great autocrat, Brian Sellers, Yorkshire's captain in the 1930s, refused Ray Illingworth a three-year contract and he left. Three years later, Brian Close, not a great diplomat, but head and shoulders above most county skippers, was sacked.

My first encounter with Boycott was at Clacton in 1963 on a deliciously green pitch. I was bowling and had the pleasure of seeing him caught behind the wicket off the outside edge early on. But I noticed he played very straight.

Although he was picked at the age of 18 for the Yorkshire Second XI it took him longer to establish himself in the first team than it should for a batsman of his ability, and this may have fired his obsession with runs and records.

In that summer he headed the Yorkshire batting averages, a position he has occupied for 17 of his 20 seasons. In the other three he has missed matches and come second.

When he took over the county captaincy, he was an outstanding accumulator of runs (but not batting bonus points). He had the best defence in the world, but, unlike most great batsmen, he was unable or unwilling, because of the risk involved, to dominate an international attack.

He had an unhappy knack of running out his partner which cannot have helped this shy, natural loner with a remarkable aptitude for upsetting other people.

His first summer as captain ended with an annual report which described it as the worst in the club's history "from a playing and a financial point of view." But Boycott himself had made over 2,000 runs at an average of over 100.

Some Yorkshiremen felt that here was a great captain let down by the rest of the players. But some felt that a captain like Brian Close, less run-conscious, would have given more of himself to the team.

Whatever the truth, Boycott in an eight-year run as captain, must accept the blame for not making the best use of his players, because he was unable to arouse their full support and confidence. He lost Don Wilson, Richard Hutton, and Philip Sharpe, all gifted, experienced cricketers. The newcomers never maintained their early promise.

When even the long-suffering John Hampshire decided he had had enough in 1978, the Yorkshire committee relieved Boycott of command. "It is not for what you have done, but for what you are," the county chairman, Arthur Connell, said bluntly.

Last week I was discussing Boycott with an England captain who has had him in his side. He admired his batting, he respected his knowledge of the game and on the state of pitches, but found it difficult to get advice from Boycott "without going down on both knees."

And he added: "Off the field has has nothing really to offer a touring party." So, it is easy to understand that one night when Boycott went home early, his team-mates celebrated.

I know that Boycott's supporters in Yorkshire are genuine, but I would be more impressed if their group contained just one player. . . . It is all jealousy, the Boycott lobby says.

But how can one be jealous of a man who has spent more than 20 years in a beautiful, friendly game without making a large number of friends? At the same time, I'm sorry for Boycott and believe he is often misunderstood.

Ben Wright reports on a Ryder Cup reunion

Year of Jack and Tony

THE SCENE is so vividly etched in the memory. Can it be 14 years since that dramatic moment when Jack Nicklaus conceded Tony Jacklin's putt on the 18th green at Royal Birkdale to give Great Britain and Ireland an improbable and memorable tie in the 18th biennial Ryder Cup match?

Nicklaus's gesture was without doubt the most sporting I have ever seen. He picked up Jacklin's ball, grinned broadly and then embraced our visibly relieved Open Champion, who had soundly beaten him by four and three in their morning single.

Now the two are pitted in opposition next weekend as non-playing captains in the 25th series at Palm Beach Gardens, Florida.

Of course, it is now a European team that challenges the might of the U.S. for a trophy that the British and Irish won only three times — 1929, 1933 and 1957. Dai Rees captained our side to the famous victory at Lindrick on that last emotion-packed occasion.

Ironically, it was that great Scottish battler Eric Brown who inspired our team that cool October afternoon by beating Tommy "Thunder" Bolt soundly in the top singles match, and Brown again who captained our team from the sidelines in 1969.

Alas, Eric has since fallen on hard times. Last week in *Charlotte, North Carolina,* he finished last in his debut on the thriving U.S. seniors tour with a total of 320, eight strokes worse than his nearest rival.

After 36 holes Brown was tied at 152 with none other than the irascribe Bolt, who promptly withdrew from the tournament.

But back to the Ryder Cup. Neither the British and Irish, nor the European team launched there in 1979 has ever been successful on American soil, and there is little hope that this embarrassingly dismal record will be improved upon next weekend. Nicklaus will not be under-estimating the quality of the opposition, however.

As he told me on Tuesday: "This must be the strongest team we have ever faced, certainly stronger than any of the six I played against. My strategy will simply be to pair those who are playing well and hope that they are all playing well enough to get equal time. Personal likes and dislikes don't enter into my calculations."

There will be two notable absentees from next weekend's battle. Because the European team was chosen entirely from the European Order of Merit, Peter Oosterhuis, a stalwart of our side since 1971 will be absent, and as a hardened veteran of the U.S. tour he will be sadly missed.

Likewise it seems inconceivable that the American team will not include their open champion Larry Nelson, who has compiled the best record in Ryder Cup history in the last two matches. Although he has never having previously played in foursomes or matchplay as a professional, he and Lanny Wadkins, struck up an inspired relationship in 1979.

Three times they beat Spaniards Seve Ballesteros and Antonio Garrido, and to rub salt into a gaping wound Nelson also beat Ballesteros in his last day singles, a defeat that the Spaniard accepted rather less than gracefully.

Wadkins and Nelson also walloped the tried and tested Scottish pairings of Bernard Gallacher and Brian Barnes. In 1981 in the absence of Wadkins at Walton Heath, Nelson teamed with Lee Trevino and Tom Kite to win three out of three, and then beat Mark James in the final singles to improve his record to nine wins, no defeats.

Ballesteros will not be unhappy to see him gone, but Wadkins told me recently that he will sorely miss his old partner —"the best I ever had as amateur or professional."

It is an indication of the cut-throat competition and strength in depth on the U.S. tour that of the victorious 1981 only four of the 12 players remain.

Gone are Nicklaus, Trevino, Jerry Pate, Hale Irwin, Bill Rogers, Craig Stadler, Johnny Miller and Bruce Lietzke. Of the team captained by Dave Marr only Ben Crenshaw, Kite, Ray Floyd and Tom Watson survive.

The replacements are Wadkins, Fuzzy Zoeller, J. Haas, Gil Morgan, Calvin Peete, Curtis Strange and Bob Gilder. Of these Peete (fifth), Strange (20th), Haas (22nd) and Gilder (34th) on the American money list are newcomers to cup competition.

The British team will feature four new faces in the shape of Brian Waites (7th), Welshman Ian Woosnam (9th), Paul Way (12th), and Gordon Brand senior (13th) in the European order of merit.

To give you an idea of the David-Goliath nature of the contest, Gilder has this year earned $139,125, while only Faldo, with an all-time record of £117,681 and five victories has earned more than that on the European circuit.

The leading American money-winner, Hall Sutton, winner of their TPC and PGA titles and $425,148 in his second season as a professional, is not even eligible.

Of the three Continentals on the European team, Ballesteros, dropped from the 1981 match, will be anxious to atone for his lone win against four defeats in 1979, while his quietly effective countryman Jose-Maria Canizares will be all the better for his blooding in 1981.

The phlegmatic West German Bernhard Langer played with some distinction in his 1981 debut and is far from inexperienced in America, having had a chance to win the World Series, also in 1981.

Wadkins reminded me that, while his partner Nelson is unbeaten in cup play he has lost but once in eight outings, when beaten by three and two by Gallacher in the top singles in 1979 Wadkins told me: "Bernhard is the fiercest European competitor I have ever met, amatuer or professional. I respect him enormously as a player and a man."

It seems strange to me that the boyish Gallacher has been playing with such distinction since 1969's cup match, during which time he has won 13, lost 12 and halved five matches in seven appearances, the last six of them emphatic drubbings for our team.

Significantly, his only two singles defeats occurred in the 1973 match at *Muirfield*, inflicted by Tom Weiskopf and Gay Brewer. Gallacher would be my top singles player every time.

In stark contrast in terms of experience the 20-year-old prodigy Way played in the 1981 Walker Cup match against America as an amatuer, but he will be no lamb to the slaughter. Unfortunately, however, I suspect the Europeans will be savagely butchered as usual.

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Saturday October 8 1983

That sinking feeling

LESS THAN six months ago Mrs Thatcher could do no wrong in the political arena. Fortune has now dealt her an altogether less attractive hand. But as she goes into the Tory Party conference at Blackpool next week the Prime Minister could be excused for wondering why those around her seem to have lost the knack of getting things right too.

In a sane world an admission by a Cabinet Miinster that he has had a relationship with his former secretary would not, in itself, be a matter for undue political concern. But Tory governments have an uncomfortable track record with sexual scandal and the Minister in question, Mr Cecil Parkinson, has hitherto been one of Mrs Thatcher's most successful proteges.

In an entirely different way the failure of the Chancellor, Mr Nigel Lawson, to hit his stride early on in this Government's term has contributed to the sense of policy drift. At the time, the Chancellor's July package of public spending cuts and proposed sale of shares in British Petroleum looked incoherent. If the problem was public spending, why was the Chancellor selling assets? The impression left by the measures was not one of decisive action so much as a hint of panic. The medium-term financial strategy it seemed, could be preserved only by fudging the figures.

Even the Prime Minister herself seems to have lost some of her touch, notably in foreign policy where her assertive approach to negotiations over the future of Hong Kong contrasts strangely with an apparently shrinking sense of obligation towards vulnerable Belize. And to judge by proceedings at the Labour Party conference this week, she can no longer rely on Labour to drive voters wholesale into the Tory camp. Mr Neil Kinnock, the new Labour leader, still has his problems with the unilateral disarmament issue. But he gave every indication at Brighton that Labour was, for the first time in a long while, back in the business of seeking to exercise power.

Discomfort

Just to add to the general aura of discomfort some old British habits have been creeping disruptively back. Sir John Hoskyns's recent "what is wrong with Britain" speech was a notably rumbustious version of the genre, calling for radical government by businessmen to reverse 30 years of misrule by the Whitehall and Westminster elite. Here was a recent adviser to Mrs Thatcher advocating a role for government quite alien to most understandings of Thatcherism. Did she not come to power arguing that politicians can do no more than hold the ring in economic policy while businessmen get on with the real job of generating growth?

Far more damaging than any of this has been the cross-fire over public spending, where the debate has finally been illuminated by publication in the Financial Times of a Treasury report on the likely shape of public spending to be expected in 1990-91.

Assumptions

The more gloomy of the two scenarios envisaged by the Treasury extrapolates a growth rate from a peak-to-trough period that takes in both the oil crisis and the severe recession associated with the overvaluation of sterling that followed Britain's emergence as an oil producer. This looks dangerously like another work-out for the habit of depressed expectations. And, refreshingly, the indpependent and influential Institute for Fiscal Studies has now challenged the basic assertion that there is an expenditure crisis.

In its view there is no reason to expect tax revenue (North Sea oil taxes apart) to fall in real terms as the Treasury asserts. Numerous other Treasury assumptions are attacked and the authors of the report come to the politically acute judgment that the scare on public spending reflects an attempt to make room for substantial tax cuts in advance.

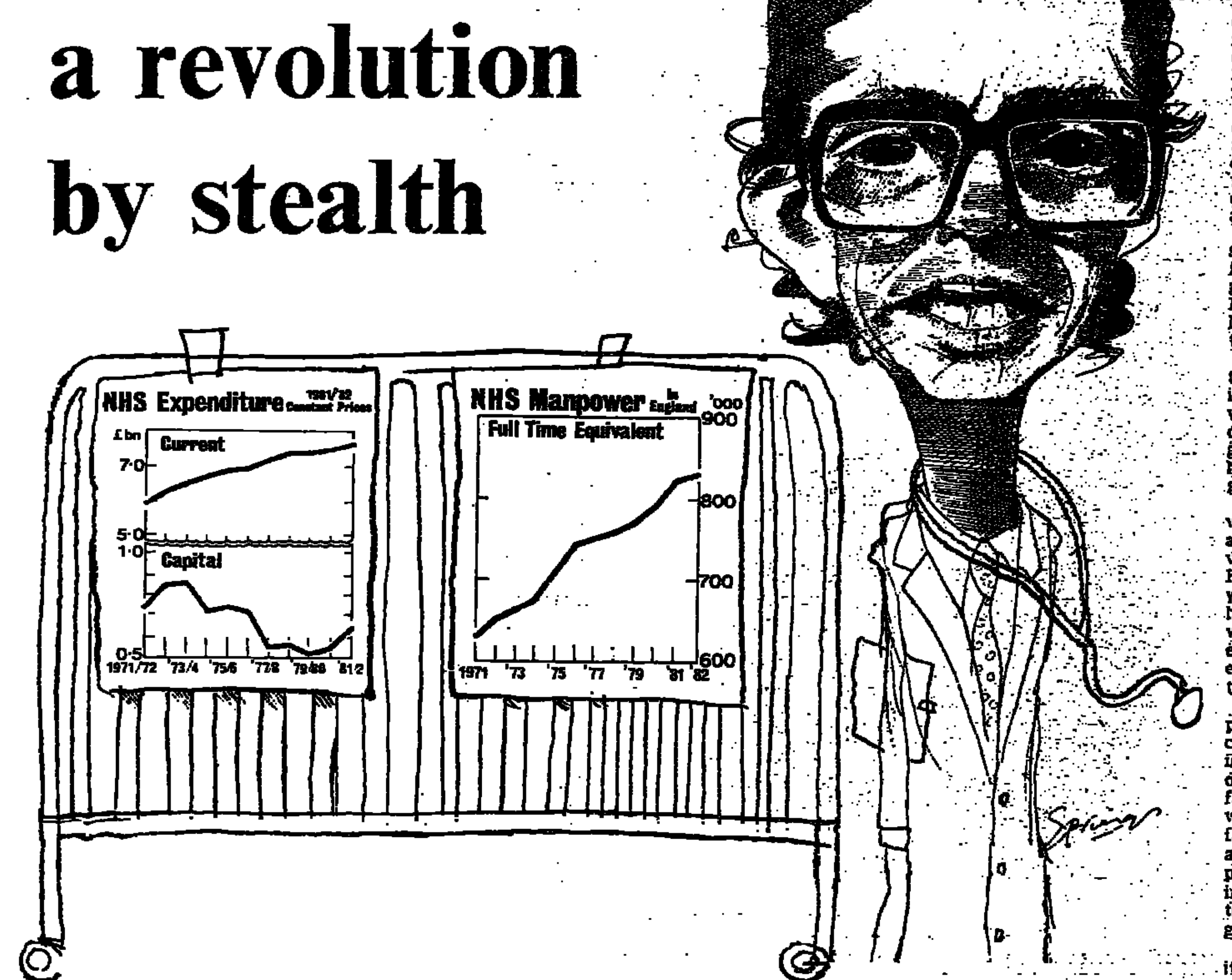
Certainly it is hard to reconcile the Chancellor's optimism about recovery with the gloom Treasury officials express on public expenditure. And the scare-mongering has at times bordered on the irrational. In advanced economies, increased incomes are normally accompanied by increased demand for expenditure on things like health care, education, and the environment which tend to be provided by the state. This is not the same as blowing the dividends since it constitutes an investment in human capital which supports economic growth.

The room for scare-mongering arises because there is little scope for increased productivity in public services, whose costs tend to rise relative to other goods and services.

By European standards, however, Britain's problems with a relatively mean state pension system and a health service that still commands some respect are not overwhelming. So begone dull British care. The other good news this week is that the Vauxhall workers failed to strike, base rates came down half a point to 9 per cent, and the dollar showed a welcome weakness against major currencies. The case for doom is incomplete.

Ian Hargreaves and Gareth Griffiths report on the problems of managing Britain's health service

Fowler plots a revolution by stealth



A YEAR AGO, Mr Norman Fowler, the Social Services Secretary, stood before the Conservative Party conference and made what many thought the most important speech of his political career.

"I did not come into politics to preside over the destruction of the National Health Service," he said, signalling publicly a decisive victory over Think Tank and Treasury radicals who were arguing that only dramatic changes in the public-private mix in health care could produce adequate savings in the fight to reduce public spending.

Backed by the Prime Minister and research from his own department showing that a major switch to private insurance funding would be costly and inefficient, Mr Fowler won the argument and set the tone for the party's cautious election manifesto platform on the welfare state.

Next week in Blackpool Mr Fowler will again be called upon to defend his record on the NHS, but the atmosphere is different. Now it is Mr Fowler who in the public mind—even to a degree the Tory public mind—has got himself labelled as the destroyer.

A series of moves since the election to curb spending and manpower has led several health authorities to refuse outright to co-operate.

The underlying source of grievance is the Government's lower (0.5 per cent a year) real growth assumption for the next decade, which contrasts poorly with a real 7.5 per cent increase in health spending in Mrs Thatcher's first term.

Discontent was compounded by the Chancellor's £140m summer spending cuts which Mr Fowler decided to use as the rationale for a Government mandate that manpower should be reduced by between 0.5 and 1 per cent—the first time any Government has insisted upon staff cuts since the NHS was created in 1948.

A third ingredient in the Fowler strategy is to compel health authorities to put their non-medical work out to private sector tendering.

Whether these actions make Mr Fowler—a ruminative, cautious politician with a strong loyalty to Mrs Thatcher—a radical is questionable.

Certainly he has shown no interest in purchasing either of the radicals' favourite remedies: charges for some hospital services (an idea considered before by health ministers as diverse as Aneurin Bevan, Richard Crossman and Sir Keith Joseph) or significant expansion of private health insurance.

At present, the private health sector is stalled at a 3-5 per cent market share. In the face of another sharp (15 per cent) rise in premiums this year, annual growth rates in subscribers like the 27.5 per cent recorded in 1980 look like something of the past—unless the Treasury changes its mind about supplying another set of fiscal incentives, a move so far ruled out on grounds of cost. The number of subscribers this year is expected to rise by about 3 per cent.

As for the cuts, the facts are more ambiguous than the Government's opponents allow.

The combination of the 0.5 per cent growth assumption and the Chancellor's economies means that England will spend £14.5bn on health and social services this year, a 4.5 per cent increase on last year. This follows a year in which retail prices rose by 4 per cent.

The picture is complicated by the Government's acknowledgement that the NHS needs an extra 1.2 per cent a year merely to stand still in the face of demand generated by new technology and an ageing population.

At the same time, the Government's longstanding strategy to distribute resources from richer to poorer regions means especially sharp cuts in regions like North West Thames, where real spending will be down by 0.7 per cent this year. Since the Government is also forcing authorities to switch funds from acute services to those for the mentally ill and mentally handicapped, it would be astonishing if patient care did not suffer noticeably in some places.

Overall NHS staffing in England has increased by 23 per cent to 817,000 since 1971, with the biggest increases among technicians, administrators, nurses and doctors.

When, during the summer, ministers found some regions still lacking the most basic headcount data, while still collectively planning another 7,000 increase in staff this year, it was decided, in the words of a senior official, "to give them a kick in the pants."

That kick is not, they insist, to be taken as a move towards greater centralisation.

The manpower debate does, however, point to the real issue behind the hullaballoo: Mr Fowler's slow-moving attempt to overhaul the management machinery of the health service. If he succeeds, he will have achieved a revolution by stealth

The problem is that since the NHS was created no-one has been able either to monitor or measure good practice, either from the centre or the periphery, in the interests of stimulating better productivity.

As Sir Cyril Jones, an investigator brought in by Aneurin Bevan to tackle the issue in 1950, put it: "The ministry . . . has no costing yardsticks at its disposal by which to judge the relative efficiency or extravagance of administration of various hospitals."

The traditional decision-taking mechanism at hospitals consists of a triumvirate of senior doctor, senior nurse and senior administrator. It is no-one's job to think primarily about cost and efficiency and no one individual is held to account. This procedure is known in the health service as "consensus management."

What Mr Fowler has done, with the help of his predecessor Mr Patrick Jenkin, is to set several teams of outsiders—accountants, businessmen, health service professionals—to define a workable set of performance indicators, to sharpen up manpower information and to pass judgment on the consensus management system.

One of these reviews, on performance indicators, headed by Mrs Edith Korner, a former health authority vice-chairman, is still in progress but has already, for example, suggested the first practical means of measuring the productivity of operating theatres.

Meanwhile, 3,139 pages of less sophisticated indicators came out of the department last month showing, among many other discrepancies worthy of management attention, that in 1981 it cost £141.60 a day to keep a patient in an acute hospital in Great Yarmouth but only £48.30 a day in Warrington.

The manpower review has taken much longer than expected—hence the recent kick in the pants—but officials say that within one to two years regions and districts will be capable for the first time of matching detailed manpower projections against their cash targets.

But by far the most sensitive task is that of Mr Roy Griffiths, chief executive of Sainsbury's, who has spent several months talking to NHS staff and leaving behind persistent rumours that he will, in a report due this month, recommend an end to consensus management, and possibly even suggest that every NHS unit should have its own chief executive. Each unit and sub-unit would also have, for the first time, a detailed management budget.

Officials who have been involved in Mr Griffiths' work say that his ideas, promulgated in terse, Socratic style, have been well received, but they doubt whether he will make the critical leap from merely advocating a dose of general management consciousness to proposing that new general managers be introduced to oversee budgets.

If he does propose this doctors can be expected to offer stiff resistance. Whatever the outcome, officials say: "Griffiths is the keystone in the arch."

There is far from universal optimism about the new management strategy. Professor Rudolf Klein, whose recent history of the NHS* chronicles the management debate through 35 years, thinks the scale and sophistication of the new exercise is beyond the capacity of the DHSS itself, whilst out in the districts administrators complain they are drowning in paper.

There are other problems too. The Korner review's ideas cannot be made to work until hospitals are dotted with minicomputers (many still have none) and links between currently incompatible mainframe computers are established.

This in turn bears upon the decades-old problem of inadequate capital spending. This multiplied only fourfold in cash terms between 1971 and 1981, whilst current spending multiplied six-fold.

It can validly be asked by doctors what is the point of all this effort to scrutinise the costs of their clinical decisions when 73 per cent of running costs go on staff whose wages are negotiated centrally.

"The costs over which consultants have control is chickenfeed compared with the money going on wages," says Mr David Bolt, chairman of the British Medical Association's consultants' committee.

Another criticism is that all the department's wrath is falling upon the hospitals when it was, in fact, primarily a £300m overshoot in spending on general practitioners which brought down the Chancellor's guillotine.

Mr Fowler's answer to that will lie in his response to yet another recently completed review, by accountants Binder Hamlyn, which will recommend ways of creating effective cash limits for family practitioners whose costs are currently open-ended and capable of rapid escalation according to prescription demands.

But perhaps the most notable point about all of this great clatter of departmental activity is how little it bears upon the debate as the public sees it: the fact that junior hospital doctors work over 80 hours a week, the fact that the waiting list is stuck at 719,000 little down on the peak of 725,000 after last year's industrial action, the fact that too many hospitals are fatty and getting tattier.

Faced with these sentiments, it does little good for politicians to point out that health spending has grown from 4.8 per cent to 5.5 per cent of GNP since 1978 (although this is still low by international standards), that the average GP's list size has fallen by over 10 per cent in a decade or that average costs per inpatient day are at their lowest in real terms for a decade.

Nor, somehow, is it possible in the health field always to recognise vested interests for what they are. We are all too much in favour of more doctors to recognise that one reason for their protests is that Britain's medical schools are turning out doctors so rapidly that the number of hospital doctor posts will almost have to double in the next 16 years to accommodate them.

One of the dreams of the people who created the NHS was that after a decade or so we would all become so healthy that hospitals would start to close and costs decrease.

What we have learned since then is that health services are less important than food, housing and, above all poverty, in determining a nation's health, but that the appetite for health care, in Enoch Powell's phrase, "vient en mangeant."

It is this inbuilt, continuously rising demand which will be the Government's main problem, whatever the means it chooses to check health service spending.

* The Politics of Health, R. Klein, Longman.

Letters to the Editor

Pay

From Mr G. Turner

Sir,—I feel that P. G. Mitchell (October 1) must be answered in his view of wage bargaining.

Although workers have hardly demanded a reduction in wages when a company makes a loss or when profits fall, they have suffered such a reduction all the same. They have lost overtime, lost shift-work and most important of all, have lost jobs.

The Government has been successful in rehabilitating the word "profits". It should equally set about convincing public opinion that "profit-sharing wage increases" are not dirty words either, but also will be an aid to industry in the long run. Workers themselves will vote with their feet and seek jobs in companies which have products and methods of production which produce profits.

Of course problems will arise in non-profitable factories, and newly profitable companies will have the task of educating their work-force that today's wages are directly relevant to past and future performance, not just that of the present. But that profits mean jobs or pay as well as investment and that one side of the equation is as equally healthy as the other, must be recognised by the whole economy, otherwise old prejudices and strife will be as much a hindrance to our industries as they have been in the past.

G. Paul Turner,
117, East Street,
Walworth, SE17.

Education

From Helen Quigley

Sir,—I was intrigued by your "Leader" entitled "The missing content of education" (September 30) which contained the assertion that "Gradings in the national exams are decided ... by ... allocating each grade to a set percentage of candidates.". Where did you gain that impression?

You continue to assert that if there has been a steady drift in standards in the course of a decade "no one can know." Yes, they can—if they consult Department of Education and Science Statistics of Education (School Leavers, CSE and GCE). From these you can learn that in the past decade: the percentage of children leaving maintained schools with "A" and/or "O" levels has risen from 40 per cent to 50 per cent; the percentage leaving with CSE Grades 2-5 has risen from 14 per cent to 38 per cent; and the percentage leaving with no qualifications has fallen from 46 per cent to 12 per cent.

Helen Quigley.
41 Rylett Crescent, W12.

Motors

From Mr E. Gurney

Sir,—The letter from Mr D. H. Dale (September 27) regarding Mr Cecil Parkinson's visit to BL factories essentially argues that motor manufacturing must be vertically integrated. In a perfect world, perhaps, but even the Japanese motor industry depends on component suppliers and indeed would not otherwise be competitive on the world scene, largely because the labour force in suppliers' companies is less well paid than those in the companies which control the product design and assembly operations.

Even so, the viability of large scale motor manufacture depends upon ever larger sales and the problem with the British motor industry is that by losing control of design it has also lost control of sourcing and components. This is particularly relevant to international companies such as Ford, GM and Peugeot SA and while I agree that the BLMC era was guilty of a failure to rationalise component parts, the successor company, in spite of a reduced market share of vehicles, has not done terribly well on rationalisation. We have, for example, in the 1300/1350 cc range, no less than three gear boxes: one manufactured by Honda, one by VAG and one by BL; and for engines in the 1300-1700 cc range, the A series, O series, R series and the Honda engine, all of which could be covered by one basic design.

The microcomputer industry appears to have found the most successful formula where the company originating the design sub-contracts for the supply of components and the manufacturing of the products.

Essentially, the design, engineering and quality control must be the contribution from the home base. The manufacture of components and assembly can then be sub-contracted, hopefully in the UK. Only if design is in-house can the control of assembly and sourcing be maintained and give the flexibility to move with the market.

I do not believe that vertical integration in the motor industry is essential to retain this control or, by the same token, to maximise domestic employment in this industry.

E. R. Gurney,
30, Milsom Street, Bath.

Privatisation

From the Chairman,
Computer and Systems
Telecommunications

Sir,—What an interesting proposal from Dr Anthony Berry (October 4) on British Telecom privatisation—30m UK citizens should take (the Government's) money out of BT (£300 each) as a result of the exercise, when all along we had been thinking the idea was to put money into the government's hands (and maybe out of the citizen's hands) by way of selling of its stake.

Let's take this a stage further. Rather than issuing the £300 to all 30m citizens, let's concede that it's only the 18.7m BT telephone subscribers ("number of connexions"—BT 1982 statistics) who are interested in the exercise at all, or deserving of the proceeds—thus giving £481 each; and give the subscriber the option of "taking his cash" by way of a rebate on his phone bill. Maybe the legal draughtsmen would have to create a new kind of "phone bill credit note" equity in BT (with no doubt a secondary market, as Dr Berry suggests) to offer to those who didn't want to take cash, and maybe this might be viewed as a new equity issue, rather than a sell-off of the (government's) old stake—both perhaps refreshing thoughts.

As Dr Berry concludes, it seems that proposals for BT privatisation should indeed be rigorously examined, and perhaps no more so than in consultation with those 18.7m subscribers (owners?).

(Dr) Stephen Castell
20 Grange Road,
Wickham Bishops,
Witham, Essex.

Protest

From Mr B. Brenchley

Sir,—May I protest at the pompous smugness of your reporting (September 28, 30 and Letters, October 4) of the recent protest in the City.

Any society which accepts its lot without a word of protest must be barren indeed!

I do not believe that your attitude reflects the fair-mindedness of the average City clerk who will no doubt consider, before rejecting, the merits of any subject being protested.

Otherwise the protesters would have better addressed themselves to a flock of over-nurtured sheep.

B. Brenchley,
59 Riverpark Drive,
Marlow, Bucks.

Pensions

From Mr C. Greathouse

Sir,—I don't know which insurance companies Mr Eliasson (September 24) obtained quotations from, but to suggest that £3,300 invested now in a retirement annuity will produce a pension of approximately £6,000 pa in 24 years time, implies an average rate of interest of at least 11 per cent for the next 24 years. The deferred pension of £3,172 pa has presumably been calculated using a rate of interest of about 8 per cent for the next 24 years which is rather more reasonable. If insurance companies and brokers were more honest about what their "projected pensions assuming continuation of current rates of bonus" really mean, some of the sillier pensions arguments might be avoided.

C. Greathouse
23 Saxe-Coburg Place,
Edinburgh

From Mr W. Haines

Sir—I write in support of Professor Michael Beenstock's article (October 5) on transferable pensions. As he points out, the "early leaver" is penalised in receiving less than the man who stays with one company, although the former is more likely to provide the dynamism which British industry needs. What Professor Beenstock does not point out, however, is the exposed position of the man who has joined a company recently. Employers facing redundancy problems are likely to pick the late entrant, regardless of the latter's competence. "Last in, first out" is good economics for a company and the dynamic newcomer is likely to be out of work sooner than the long term employee. If this country is going to get the management it needs, something radical has to be done, as pointed out in the article.

W. R. Haines,
Curdridge Croft,
Curdridge,
Nr. Southampton, Hants.

From Mr L. Moss

Sir,—Martin Paterson's letter (September 27) concerning the effect of inflation on the cost of preserving frozen pensions, prompts the thought that we in the pensions consulting industry have undoubtedly failed to put over the message that the cost of pension schemes is sensitive to the rate of inflation.

In my experience, the reverse message is often given: namely that with a "suitable" funding policy, a stable contribution rate is near-enough assured. Whilst this might be true if all leaver and pension benefits were indexed, it is manifestly untrue otherwise.

The time has come I believe for advisers, and in particular the actuarial profession, to identify more clearly to their clients the subsidy being provided by frozen benefits under "final salary" schemes and to urge more positive moves towards establishing benefits and funding policies not based on these inflationary subsidies.

Leslie N. Moss.
Cockman, Copeman & Partners,
26/28 Bedford Row, WC1.

From Mr K. Linford

Sir,—In his article Occupational Pensions, "The 'early leaver' problem—and beyond," published on October 5, Professor Michael Beenstock, in propounding his new approach to occupational pensions, states that when he retires he not only wants income insurance but capital.

May I observe that all final salary occupational pension schemes have been able, since the 1970 Finance Act, to provide both capital and income insurance at retirement.

Further, if he wants a greater slice of capital than at present permissible how is he going to provide sufficient capital to buy himself an annuity providing sufficient income insurance too?

I have been concerned with 8,000 retirements from three occupational pension schemes during the high inflation of the last decade and I wonder how those persons would have fared if they had not been members of final salary schemes. Certainly not very well under Mr Beenstock's arrangements. Incidentally, the early leavers with whom I have also been concerned have had their deferred pensions increased in line with increases given to pensioners.

K. J. Linford.
"Stoneyridge,"
Colemans Lane,
Danbury,
Chelmsford, Essex.

The FT's John Griffiths, a volunteer member of the record-breaking Project Thrust team, reports from Nevada on . . .

Last chance in the desert

IT ALL came right with a rush. As late as last Sunday morning, splashing our way to breakfast through the muddy puddles of the tiny desert town of Gerlach, we had thought there was little chance of high speed runs for a week to 10 days. That prospect had served to heighten the nagging fear, that if winter came early—as it did on our previous attempts in 1981 and 1982—this year's attempt, and probably the entire project, could be finished for good.

Instead in the middle of a hot afternoon last Tuesday, far out on the huge dried lake bed which makes up the Blackrock Desert, the timing stand radio crackled into life "Time for the mile: 5.5999 seconds; speed 642.971 mph." A short pause then—laconically—"that is a record."

After maybe 20 seconds, the silence was broken first by a thin cheer among the handful of men grouped around the car which had rolled to a halt nearly five miles from the pit. Then came the incredulous near-whispers, the dawning realisation that at last we had really done it.

The bald facts of Project Thrust, the British world land-speed record challenge led by Twickenham marketing executive Richard Noble, are that after nine years' work, a 34,000 hp Rolls-Royce Avon-powered jet car inspired and driven by Noble achieved an average speed of 633.468 mph over two runs through the measured mile in opposing directions.

Thrust II and its driver thus broke by more than 11 mph the 13-year old record of 622.407 mph held by Californian Gary Gabelich and his rocket powered Blue Flame.

The record was achieved on the second run of the day. An hour earlier Thrust II—all 27 feet and four tons of it—had thundered on a north-to-south run trailing an enormous cloud of dust past 200 spectators at the measured mile at the too-low speed of 626.240 mph. Noble, who had seen his speedometer touch 640 mph, managed to hide his deep disappointment with an aplomb which continues to baffle even his closest friends. In spite of a vast amount of detailed preparation, which included polishing to a sheen the cars underbody to gain another mile or two per hour, the car seemed unable to surmount a barrier induced by high surface drag at just below record speeds.

Hugh Routledge

Richard Noble and Thrust 2.

Thus the second run, reaching a peak speed of 650 mph and clinching the record, provided more than by then we had dared to hope, even though we knew it should be the case: the southern part of the 12-mile course, unlike the north, was hard and offered the least resistance in the crucial six-mile run-up to the measured mile.

Even in a financial sense, the £1.3m project had been a cliff-hanger to the end. By last Friday the £3,000 a day cost of maintaining the operation at Black Rock had emptied the project's coffers. There was a nail-biting two days while the principal sponsors—more than 200 UK companies had some involvement—met in London to decide whether to inject yet more cash into the venture.

Right from our arrival at Black Rock the project had been £7,000 down on budget when the final tranche of support from a property group failed to materialise. Now another large sponsor, the Fabergé toiletries group had decided to pull out.

That left the venture in the hands of just a few major sponsors—Initial Services, the industrial workwear group which had already put in nearly £200,000; Plessey, GKN, Castrol, Champion, the Trimite paints group and Loctite the industrial fastening concern.

It was almost inevitable that when word came through to Gerlach on Monday that there was £20,000 for another week, the anxious team would dub them the Magnificent Seven.

But the background fear remained. If, on this third attempt, the record was not secured then no matter the reasons or the circumstances there would almost certainly be no going back. Even the most understanding of sponsors would not wait for ever for results.

In the event Thrust II, its once glittering paintwork now scarred and sand blasted by the desert dust will have pride of place at Mortor Fair, the Earls Court Motor Show, later this month.

There have been — and will be — other celebrations. But most heart-warming of all, for a bleary eyed team after a night of celebrations in which Gerlach's population of 150 went wild, was the scrap of paper delivered late on Thursday British time. It said simply: "I was very pleased to hear of your success in recapturing the world land speed record. I send you and all your team my hearty congratulations. Elizabeth R."

Throughout the whole testing period only once had the car itself given major cause for concern. On September 22 the jet engine "flamed out" while Noble was reaching a peak speed of 617 mph. For Noble it was a moment of even higher danger than usual—with air no longer being forced through the engine the car was in an unstable state requiring him to fire his parachutes instantly.

Shortly afterwards, appalled team leaders viewing video recordings of the instruments saw that the permissible engine temperature had been exceeded.

In the absence of the team's engine expert, RAF technician John Watkins, they concluded that the engine must have been badly damaged. Noble sent out urgent calls for help; within hours Watkins, newly promoted and just settling into his new post as senior NCO in charge of engines at RAF Binbrook, was on his way to the desert.

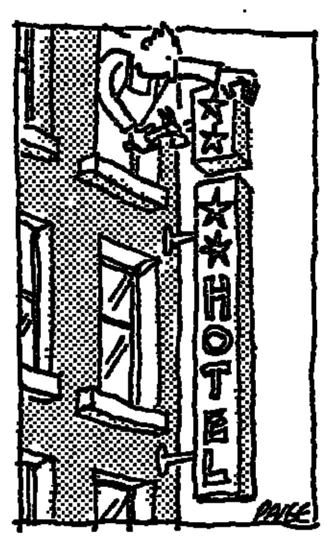
In the end it was a false alarm. Both specialists concluded the excess engine temperature was too short lived for it to have damaged the engine, a fact confirmed when the entire 10-ft long after-burner was removed inside a lockup garage in Gerlach. Though we did not know it then, we were over the hump. Almost simultaneously the sun came out. The desert dried with astonishing speed. The following day the record was ours.

London's Hotels

Why hoteliers are smiling . . . and smiling

By Arthur Sandles

Much higher building costs, difficulties over planning permissions and economic uncertainty have brought new hotel building in London to a halt. Now the emphasis is on refurbishment and upgrading



IT WAS one of those balmy mornings that London has been enjoying of late when we collided beneath the elegant arches outside the Ritz hotel. He was looking more prosperous than ever, and very pleased with himself. A director of Cunard and of the Ritz, he talked briefly and glowingly about the wonderous summer season that London has enjoyed, assured me that if I wanted a room for the night he had none, and then strode off through the camera-clutching tourists and pedestrians asking how to get to Harrods.

The Ritz and its younger sister hotel across the road, the Bristol, are not alone in their success this year. London's five star and de luxe hotels have had their most spectacular season for years, and word is going around that once again the city may be heading for a bed shortage on the scale that was seen in the sixties.

It seems unlikely, however, that this Government will deal with the problem in the same way as its predecessor a decade and a half ago—by pouring money over it in the form of grants.

What looks like happening instead it a continued wave of refurbishing and upgrading. The Gleneagles Hotels group is spending £7.5m on refurbishing the Piccadilly hotel, upping it from a four- to a five-star property, as part of its new management contract. The outlay is more than £20,000 per room — about what a new hotel room would have cost 12 years ago in London, and nearly £10,000 more than Trusthouse Forte was spending on its provincial Post Houses in the early 1970s.

Much higher construction costs, difficulties over planning permission and economic uncertainty have brought new hotel building to a halt in the capital. It is now eight years since a major international hotel opened in London.

Disturbing figures on hotel land costs

Instead, there has been a wave of buying and selling of properties.

There have been few major ownership changes among the deluxe hotels which line Park Lane, from the THF flagship, the Grosvenor in the North to the Inn on the Park and the InterContinental in the South.

Beyond Park Lane, however, things have been humming. The wholesale off-loading of properties by Grand Met, Thorn-EMI and British Transport Hotels has radically changed the profile of London hoteliers. Thistle, the subsidiary of the Scottish and Newcastle group, is now a power in the capital, with the Tower and the Selfridge among the 10 properties it now owns. The Barclay brothers, via M. F. North, have added to the Howard with the purchase of the Grosvenor, the Charing Cross and the Great Western; among buyers from Grand Met have been the U.S.-based Marriott at the Europa.

Marriott paid around £50,000 a room for the Europa, which is extremely low in new building terms. "If we had to build this again from scratch," says Sheraton of its Park Tower operation in Knightsbridge, "we would be thinking in terms of £100,000-£110,000 per room, excluding land."

Hotel industry lore suggests that the investment in an hotel should be divided by 1,000 to give an adequately nightly room rate. Thus a room that costs £100,000 to build has to be let for at least £100 a night to give an adequate return. Hotels built for the luxury market in the early '70s cost from £20,000 to just over £30,000. The horror that greeted those prices soon turned to envy as inflation pushed up achievable room rates.

A recent review of the London industry by the English Tourist Board, which was trying to discover the factors behind the capital's rates, produced some disturbing figures in terms of land costs alone. It suggested that Inter-Continental paid £2.1m for the leasehold land of its 1975 opening (about £4,000 a room). Today the price would be £7m-£10m.

It is no wonder, therefore, that the Hyatts (who recently bought the Carlton Tower), the Marriotts and the Barclays tend to look at the purchase and refurbishment market first. At the Europa, Marriott's initial outlay of £50,000 a room could easily carry a further £20,000 in refurbishment costs. This would be nearly half what a new hotel might cost on the same site (including purchase of the land).

Refurbishing is not, of course limited to hotel bedrooms. When Gleneagles gets down to work on the Piccadilly it will find miles of ageing carpet, elderly furniture and the need for considerable spending in the kitchen and dining areas.

In the past couple of years THF has spent £13.5m on Grosvenor House—in theory around £40,000 a room, but much of this has gone on gutting the interior to take on competition from the Dorchester (where the spend per room has probably been at about the same) and the newer properties further down Park Lane.

Quite apart from decoration, much of the money goes on bringing the hotels into line with what today's travellers see as the basic requirements of an international property. Two basic influences bear on that, and both are American in origin: Hyatt helped promote the idea that hotels should be a "total experience" while Hilton was virtually the first major chain to break away from the uniformity it had earlier pioneered.

Hyatt's atrium style buildings, of which London boasts no examples, were not only interesting in themselves but also set the style of an inward-looking hotel which aimed to keep guests amused within the property walls, rather than encouraging them to go out. Even at Grosvenor House you can see the impact of that thinking. There seems little doubt that one of the first things to go at the Piccadilly when Gleneagles get to work will be the claustrophobia of the reception area.

Hilton has led the way in such fields as fragmenting its catering and bar areas to give visitors a huge variety of choice. In London the Hilton boasts the Roof, the Patio, Trader Vics, the London Tavern, 22 Park Lane, and the Scandinavian Sandwich Shop—for a hotel of around 500 rooms.

It is to Hyatt again, however, that we must look for the explosion of another trend in modern hotel building and refurbishment, the provision of special areas for business visitors. Special floors for such visitors, who can separate themselves off from groups and holidaymakers, are now becoming the norm in London, as in other major world cities. Hyatt started it in the U.S with the Regency Club zones, and now everyone has followed on.

A new trend: Special areas for businessmen

The fact that London's hotels have jumped on this and other bandwagons has pushed up investment rates and, inevitably, room tariffs. Over the past year the average price for a single room in central London, including breakfast, has gone up by 13 per cent, enough to make consultants Greene-Belfield Smith express concern recently about the city getting expensive again.

Expensive or not the city is certainly packed. As my man from the Ritz says: "What a wonderful year."

Weekend Brief

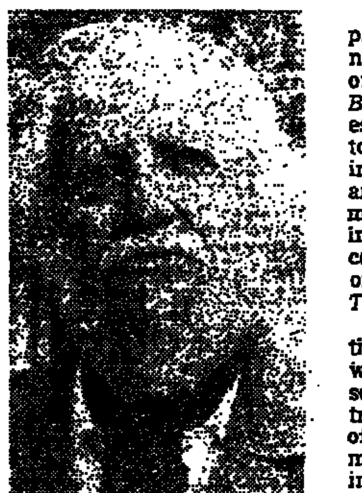
Elderly schoolboy shows promise

I happened to be there when William Golding, the first English writer to win the Nobel Prize since 1953, met W. H. Auden for the first time. After saying how much he admired *Lord of the Flies*, Auden went on to question its pessimistic view of human, or rather schoolboy, nature. Auden said he thought the older boys on the desert island would have taken the smaller ones under their wing and protected them. Golding agreed that they might have done so for a while but not for long. It is *time*, seemingly endless time, that would have undermined their more civilised feelings, he explained.

There spoke one ex-schoolmaster to another. But whereas Auden's schoolmastering days were comparatively brief, Golding, a product of Marlborough Grammar School and Brasenose College, began teaching in his late twenties in 1939, and returned to it for many years after spending the war serving in the Royal Navy.

He was more than 40 when *Lord of the Flies* was published in 1954; it was his first novel though there had been a slim volume of poems 20 years earlier, and it was not long after its appearance that critics and readers agreed it had significantly changed the course of English fiction.

In it Golding had "deconstructed" an earlier classic novel of boyhood, R. M. Ballantyne's *Coral Island*, piercing the sentimental optimism of the Victorian Scot by the harsh light of postwar, post-Freudian realism. The novel was destined to become a standard text at O and A level. It continues to sell several thousand copies a year in paperback. Its success permitted Golding to retire from teaching, to live quietly in his cottage near Salisbury and to divide his time between his writing, his family, his boat, and his enjoyment of chess, with occasional visits to Greece and France.



William Golding

Golding is too careful and elegant a writer ever to become prolific but, apart from his novels, he does have at least one stage play *The Brass Butterfly*, two volumes of essays, and some short stories to his credit. The sense of imprisonment in a confined area and condition which the marooned schoolboys suffered in his first novel has been a consistent theme in the latter ones, *Pincher Martin*, *Free Fall*, *The Spire*, *Rites of Passage*.

The last-named was awarded the Booker Prize in 1980. It was set aboard a 19th century schooner on a voyage to the tropics with a full complement of crew and passengers. It managed to combine all Golding's favourite themes in a remarkably concise form: his schoolmaster's sense of the way people under pressure react to authority and elect a scapegoat; his passion for the sea and the fiction of the sea (he freely admits to a respect for Captain Hornblower); his pleasure in working with literary models, here the epistolary and diary forms; and his unflinching sense of the evil which may befall perfectly innocent people at the hands of their fellow-men.

Since its appearance Golding has not published another novel. He would probably reply that he gave us two in quick succession, having published *Darkness Visible* only the year before *Rites*. This did not go down nearly so well and remains his most enigmatic book. Its hero, hideously disfigured in the London Blitz as a child, and mentally retarded, is endowed with remarkable saintliness of temperament and prophetic powers; he is a sort of walking scapegoat. Set against him are a pair of female twins belonging to a gang of terrorists, and their father, a selfish and cynical man who earns his living playing and writing about chess.

This writer is everything Golding is not, apart from his love of the game. Golding does not play chess for a club but he does have a chess computer and, as I know to my delight, enjoys a friendly game through the post. In fact we have one in progress at this moment. Golding has the white pieces and a slight advantage after the opening (the Evans Gambit). I was wondering why I had not had a move from him for some days.

Something more than art for art's sake

Sotheby's troubles may have made a small contribution to rival art auctioneer Christie's strong performance in the first half of 1983 but most of the improvement came from a world-wide upturn in the art market.

Christie's chairman Mr Jo Floyd predicts a record year for the world's second largest auctioneer in 1983 but concedes that forecasting results is as difficult as saying what any particular item will fetch at auction.

"We have not got repeating business," he says. "We don't have order books filled for two years in advance. It depends on who wants to sell, who dies, and whether they happen to have been customers of ours in the past.

"There are so many imponderables. There are a lot of mouths to feed if you don't get any sales."

Fortunately for Christie's the beginnings of the world economic recovery have translated into strong demand for art works. The strength of the dollar in particular has revived traditionally strong American buying.

Net profit rose nearly fourfold to £4.13m in the first half on sale-room turnover which was 40 per cent higher at £119m.

Furniture has done particularly well in recent months but the extent of the recovery across most areas of collecting reassures Floyd that a broadly-based upturn has begun which is not dependent on swings of fashion in any individual sector.

Two recent large sales which exceeded expectations were the contents of Godmersham Park in Kent and the Bartos collection of Impressionist and Post Impressionist pictures. Both made more than £4m.

The autumn season is usually quieter but sales of paintings from the Paul Mellon and Henry P. McIlhenny collections at the New York saleroom are expected to attract a lot of interest. "We have adopted a deliberate policy of fewer, bigger and more important sales over the past 18 months," comments Floyd.

"People won't get into an aeroplane for two or three items. By concentrating our sales we attract more international buyers and get better prices per lot. We used to hold a silver sale every week; now we hold a bigger sale once every three weeks."

Christie's holds its more prestigious sales at its King Street headquarters but sends less valuable items to its South Kensington sale room. "It is a mistake to think an inkwell will fetch a better price for being catalogued with fine furniture," says Floyd. "People interested in the furniture won't bid for the inkwell and inkwell collectors won't come to the furniture sale."

Whereas Sotheby's opened a string of new salesrooms round the world in the 1970s Christie's was more cautious and escaped the worst of the downturn when it came. Sotheby's problems forced it to seek refuge in the arms of American property multi-millionaire, Alfred Taubman.

And while Sotheby's came to depend too much on the expertise of one man—Peter Wilson, its chairman through the 1970's—Christie's built up a more balanced board.

Floyd started out in Christie's furniture department 36 years ago and became chairman of the international group in 1976. Describing himself as "a compromise figure, knowing a little about a lot of things" he still conducts the occasional, more important, sale.

"I enjoy taking sales though it becomes hard work unless you do it regularly," he says. "But the sale is only the end of the line. You have to get the business, the experts must assess the items and the catalogue has to be produced. When the hammer comes down it is the end of a long chain."

From Academe to the top of the pile

Martin Wood has almost 11 per cent of the £102m company he founded in a garden shed at the bottom of his garden 14 years ago. The company, Oxford Instruments, specialises in high powered magnets used in medical body scanning.

It is coming to the Stock Market next week and Wood will be a paper millionaire many times over. He is handing over to Barrie Marson the bureaucratic and administrative chores of chairmanship and, as deputy chairman, his mission in life is to help others tread the same path from academe to commerce he has signposted so successfully.

He was working in the Clarendon Laboratories in the 1950s when he first saw the industrial prospects for the high powered magnet but the Oxford University authorities which run Clarendon had no brief in those days, or very much interest, in the commercial application of laboratory-inspired ideas.

Fortunately, the well-spring of his creation was nurtured by three prominent physicians at Oxford at the time. These were Dr Nicolas Kurti, the Hungarian, Sir Francis Simon, the German physicist, and Brevis Bleaney, the lone Englishman among the trio. The first two were refugees from Hitler's Reich and brought with them, Wood says with gratitude, an understanding of how physics should serve engineering and the world of industry beyond.

These three, Wood says with certainty, "put physics on the map." With their encouragement, the shed at the bottom of his garden began to bloom. But not without incident. The group has had three clearing banks during its short history and, in the first two instances, the relationship was soured by the banks' lack of understanding of Oxford Instruments' needs—particularly when a poor profit record was beginning to recover and the company needed more working capital.

More importantly, Wood concedes, "we were horribly green and stupid. We had a rather arrogant attitude towards the financial world and didn't tell them what we were doing." On the other hand, the banks could not see "the root cause of the wealth creating process."

He owes a large debt of gratitude to Industrial and Commercial Finance Corporation which, in the days when relations with the clearers were getting particularly bogged down, stepped in to help. David Ellis, case director for ICFC's involvement through its Reading office, is now on the Oxford Instruments board.

Wood now has a mission to explain among Oxford University's ideas men. There are three distinctly possible commercial ideas leaving the labs, he thinks, and using his new found wealth, he wants to help. Drawing on his own experience, Wood is sure that most ideas require at least 18 months' support before they can be presented even to such potentially benign sources of capital as ICFC. He will offer negligible sums to start with and Wood will adopt a purposefully low-key approach but private finance will be on offer from this Oxford-born, Cambridge-educated, scientist cum industrialist.

Is this commercial interest in his blood? Wood remembers that his ancestor, Herr Göschen, came over to England towards the end of Queen Victoria's reign to found the City merchant bank, Frühling and Göschen, with a fellow German émigré. Herr Göschen apparently rose to become the Chancellor of the Exchequer best known for introducing a tax on alcohol. The bank was wiped out during the jingoism of the First World War, but the entrepreneurial spirit, it seems, is still thriving.

Contributors:
Antony Curtis
Charles Batchelor
Ray Maugham

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	%	Others
Abbey National	7.00	7.25	8.25	9.00	2-yr. Bondshare, 3m. not/pen.
				8.25	High Option, 3 mth. not. no pen.
				8.25	60 Plus, 6 m. on dem. (int. pen.)
				8.25	7 days' notice, no int. penalty
Aid to Thrift	7.90	8.50	—	—	
Alliance	7.00	7.25	8.25	9.00	2 yrs., 3 mths.' notice/penalty
Anglia	7.00	7.25	8.25	8.75	3 yrs., 3 months' penalty
				8.50	Capital Sh., 1 month's penalty
Birmingham and Bridgwater	7.00	7.25	8.75	8.25	Extra Interest Shares
Bradford and Bingley	6.75	7.25	8.25	7.75	7 days' notice, no penalty
				8.25	1 m. not. or on dem. (int. pen.)
				8.75	3 m. not. (int. pen.) reg. inc.
Britannia	7.00	7.25	8.25	7.75	7 days' not., 8.25 2 mths.' not.
Cardiff	6.75	8.00	8.75	—	
	—	*8.50	—	—	*Share a/c bal. £10,000 & over
Catholic	7.00	7.50	8.50	8.25-8.50	Monthly Income Accounts
Century (Edinburgh)	7.25	7.75	—	8.75-9.50	Fixed terms 2/3 years
Chelsea	7.00	7.25	8.25	8.75	im. wdl. (int. pen.) or 1m. not.
Cheltenham and Gloucester	7.00	7.25	8.25	8.25	Gold account £1,000+ no notice no penalties. Monthly interest £5,000 min. 8.57 if compounded
Citizens Regency	7.00	7.50	9.00	8.40	plus a/c £2,000+, no not./pen.
City of London (The)	7.25	7.50	8.25	8.25	4 mths.' notice—no penalty
Coventry	7.00	7.25	8.50	8.75	4 yrs., 8.50 3 yrs., 8.25 3 mths.
				8.00-9.00	28 days' notice/penalty
Derbyshire	7.00	7.25	8.50	8.25	
Greenwich	—	7.25	8.50	9.25	Subject to notice/balance
Guardian	7.00	7.50	—	8.75	3 months, £1,000 minimum
Halifax	7.00	7.25	8.25	8.25	Xtra Interest Plus, 3 months' wdl. notice or loss of interest
Heart of England	7.00	7.25	8.50	9.00	Tip Top Acc. 8.25 Flexi-Term
Hemel Hempstead	7.00	7.25	8.50	9.25	2 yrs., 8.50 3 months
Hendon	7.50	8.25	—	9.25	6 months, 8.75 3 months
Lambeth	7.00	7.50	8.75	9.10	28 days, 8.25 3 months
Leamington Spa	7.10	7.35	—	8.50	Top Ten, 8.75 Lion Share
Leeds and Holbeck	7.00	7.25	9.00	9.00	2 yrs. with m. int., 8.50 1 m. pen.
Leeds Permanent	7.00	7.25	8.25	9.00	2 yrs. E.I. a/c £500 min. 8.25
Leicester	7.00	7.25	8.25	9.05	3 yrs., 8.25 3 months
London and Grosvenor	7.00	7.75	9.50	8.25	High Yield (1 month)
London Permanent	7.00	7.75	—	9.00	6 mth. not. or 2 m. not. + pen.
Midshires	7.00	7.25	8.25	9.00	2-yr. Term Share, £1,000 min.
Mornington	7.80	8.50	—	—	
National Counties	7.25	7.55	8.55	9.10	28 days' notice £500 min.
National and Provincial	7.00	7.25	8.25	8.25	1 mth. not. also mthly. income
Nationwide	7.00	7.25	8.25	9.00	2 yrs., £1,000 min. wdl. with 90 d. notice and pen. Bonus a/c
				8.25	£500 min. im. wdl. with pen.
Newcastle	7.00	7.25	8.50	8.75	4 yrs., 9.00 2 yrs., 8.25 28 days' notice, or on demand 28 days' interest penalty
New Cross	8.00	8.25	—	8.25-8.75	on share accs., depending on min. balance over 6 months
Northern Rock	7.00	7.25	8.50	9.00	Moneyspinner 3 m. not. + pen.
Norwich	7.00	7.25	8.50	8.50	City a/c imm. wdl. no penalty
Paddington	6.75	7.75	9.25	8.75	Loss 1 mth. int. on sums wdn.
Peckham	7.75	8.00	—	9.00	3 months' notice, 8.25 Bonus
Portman	7.00	7.25	8.75	8.75	2 mths., 8.25 Flexi-Plus
Portsmouth	7.35	7.55	9.05	9.40	5 yrs., 9.00 6 mths., 8.50 1 mth.
Property Owners	7.25	7.75	9.00	8.75	28 days
Scarborough	7.00	7.25	8.50	8.25	Money Care + Free life insce.
Skipton	7.00	7.25	8.50	8.25	1 month's notice, 8.60 3 years
Stroud	6.75	7.25	8.50	8.85	3 months, 8.25 1 month
Sussex County	7.00	7.25	9.00	8.00	7-day County share account
Sussex Mutual	7.25	7.50	9.00	7.75-9.00	
Thrift	7.15	8.15	—	10.15	5 yrs. term. Other accnts. avail.
Town and Country	7.00	7.25	8.25	9.00	2 yrs., 60 days' wdl. notice
				8.50	imm. wdl. 28 days' interest loss
Wessex	7.25	8.30	—	—	
Woolwich	7.00	7.25	8.25	8.25	90 days (interest loss)
				8.50	Special Interest Shares, 90 days' not. or imm. wdl. with 90 days' interest loss (minimum £500)
				8.25	imm. wdl. 28 days' interest loss
Yorkshire	7.00	7.25	8.25	8.50	Diamond Key, 60 days' penalty or 2 months' notice without penalty

All these rates are after basic rate tax liability has been settled on behalf of the investor.

Debenhams tops £5m in buoyant six months

BUOYANT TRADING conditions throughout most of the first half resulted in Debenhams pushing up its pre-tax profits from £1.54m to £5.17m. Sales in the 28 weeks to August 13 1983 rose from £311.79m to £332.12m, including VAT.

The directors say that after the buoyant first half, demand slackened during July and August as a result of the hot Summer. Credit sales through Welbeck Finance continued to grow strongly during the period.

They say the favourable trading trend has now resumed and the group—it has 37 departmental stores throughout the country—is in a strong position to benefit from a continuation of present conditions.

Trading profits in the first half were higher at £7.67m against £4.99m, and the pre-tax figure was after interest charges down from £3.43m to £2.5m.

After tax of £1.42m (£1.3m), minorities this time of £933,000 and preference dividends £43,000 (same), attributable profits were substantially higher at £2.77m compared with £197,000.

The interim dividend is raised from 2.04117p to 2.2p.

See Lex

Tottenham and Acorn share allocations

Tottenham Hotspur Football Club and Acorn Computers duly confirmed yesterday the contrasting initial impressions each new company had made on potential investors when their issue applications were received on Thursday.

As expected, the Spurs' application was heavily oversubscribed and the football club received 16.94 applications for the 3.8m £1m shares on offer. Favouring the small shareholder, almost always expected to be a club supporter, Tottenham has allotted the minimum application of 100 shares to all applicants and scaled down the rest to 15 per cent of their applications.

Acorn, which was raising some £13.5m through a tender offer on the Unlisted Securities Market, was barely oversubscribed and the striking price has been fixed at the minimum tender price of 120p. Preferential applications from employees in respect of 641,116 shares have been satisfied in full, and applications for the remaining 10.59m shares have also been accepted in full except that applications for 250,000 and above have been allocated about 80 per cent of the amount applied for.

Common Bros. profit at £2.2m—dividend held

THE YEAR ended June 30 1983 has shown much improvement for Common Brothers, the shipping group. There has been a turnround from a loss of £4.18m to a profit of £2.16m pre-tax, and this has helped bank term borrowings to be reduced from U.S.$24m. to U.S.$15.5m and increased the company's ability to undertake investment in shipping and related activities.

Earnings are 25.5p, against losses of 16.6p. It is thought prudent to maintain the dividend at 1p net per share as results for the current year will be uncertain until the drillship secures satisfactory employment.

Turnover for the year rose from £32.52m to £41m and the trading profit came to £5.49m, compared with £157,000, subject to finance charges £1m lower at £3.33m. There were tax credits of £581,000 (£3.57m) and minorities of £1.21m (£390,000).

The trading profit was arrived at after charging depreciation £5.18m (£4.22m), provisions £1.42m (£1.55m), drydocking costs £49,000 (£1.07m), and share of related companies' losses £745,000 (£848,000), but included interest received of £2.65m (£1.2m).

The directors report that the drillship, IRO Frigg, has performed well. Although the charter ended three months earlier than expected because of cutbacks in the drilling programme, the payment of a substantial cancellation fee allowed further repayment of the bank debt originally secured on the drillship from $34.5m to $3m.

The current year has started from a stronger base than hitherto. The successes of the past year have resulted in a much increased level of market interest in the services the company can offer, with corresponding potential for existing operations and selective prospects for expansion.

A new facility is now in place to cover the anticipated operating and financing costs of Iro Frigg. Despite shortage of employment in current markets, prospects do exist for the drillship and are being actively pursued.

Product tankers continue to show losses but the market regards this type of vessel as potentially attractive, and the directors are optimistic that the losses can be reduced in the current year.

● comment

Common Brothers, one of the last old-fashioned shipping companies to survive the rigours of the maritime recession, is beginning to show its paces after the change in ownership and subsequent radical restructuring, which has included the injection of profitable assets and rationalisation at Bahamas Cruise Line. The £6.3m turnround to profits of £2.1m pre-tax is explained by a number of factors, among them non-trading elements such as the reduction in the outstanding debt of the drillrig Frigg. While Frigg turned in £4.4m from its lucrative drilling contract—now at an end—the most encouraging aspect of the figures has been the responsiveness of the cruising interests to new marketing arrangements; the increased utilisation of ships turned 1981/82 loss of £2m into profits of £0.2m, a sign that the U.S. economy is on the mend at last. These positive elements were depressed by losses in Northumbrian Shipping, due mainly to the cost of cartering the product tankers previously sold. Overall the outlook depends very much on how soon another contract can be found for Frigg. At 100p, up 10p, the p/e on stated earnings is almost 4 while the yield is a paltry 1.4 per cent.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corre-ponding div.	Total for year	Total last year
Campari	int.	0.5	Nov 14	1.1	—	4.1½
Common Bros	int.	1	—	1	—	1
Courtney Pope		3.2	—	2.4	4.8	3.6
Debenhams	int.	2.2	Dec 2	2.04	—	6.8
Downiebrae	int.	Nil	—	Nil	—	0.3
Hartley Industrial		0.7	—	0.7	0.7	0.7
Arthur Henriques	int.	0.5	—	0.5	—	1.5
N British Canadian	int.	1.9	—	1.75	—	5.35
Ldn Manchester Grp	int.	4.97	Nov 15	4.34	—	13.65
Lyle Shipping	int.	2	Jan 4	4.5	—	7.5
F. Miller (Textile)	int.	0.6	Nov 25	0.55*	—	1.35*
Sanderson Murray		2	Nov 22	2	2	2
Scottish TV	int.	2.1	—	2.1	—	7.35

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § For 18 months.

C. & W. Walker closing plant

A DECISION to close the business of Lakers (Northern) is reflected in the first half year (to July 30 1983) group figures of C. and W. Walker Hldgs, the engineering contractor and plant and equipment maker.

There was a group profit of £219,000, compared with a loss of £41,000, after interest £111,000 (£147,000) and depreciation £107,000 (£112,000). But this included an exceptional credit of £300000, being a surplus arising in the group pension fund which the trustees have repaid to the companies.

The order intake at Lakers, which is involved in process pipework and mechanical plant, fell to such an extent that considerable losses were incurred. And with prospects in its trade being poor, it was decided to close in late July.

Lakers losses for the half year are taken into account in a group trading profit of £137,000, before depreciation and interest. The anticipated losses from then to subsequent closure, including redundancies, have been provided for in an extraordinary debit of £186,000. The run down and completion of contracts in progress will continue well into the third quarter.

Having provided for Lakers, there is an underlying trend of profitability in the remaining trading units, the directors state.

Although the company awaits the signs of a sustained upturn in demand to take up the under utilised part of its capacity, "the quality of work in hand and contracts under negotiation is better than for some considerable time."

The directors stress that the pension surplus repayment had the approval of the Inland Revenue, and that the actuaries confirm that the fund is still adequately funded.

Lyle Shipping £1.5m in the red midway

A DIVE from profits of £939,000 to pre-tax losses of £1.47m is reported by Lyle Shipping for the first half of 1983. Following last year's cut in the final dividend, the net interim is being lowered to 2p per share, compared with 4.5p.

In the last full year, the group made losses, before tax, of £4.79m, against £6.71m profits previously, and the dividend was reduced by 2.5p to 7.5p with a 3p final.

First-half 1983 turnover slipped from £12.72m to £10.98m. Shipping losses rose sharply to £4.39m, against £282,000 for the same period of 1982, but this time there was a £2.1m release of provision against future losses.

Profits from sale of investments rose by £38,000 to £61,000, but the group finance result was down from £462,000 to £316,000 and associates' operating profits decreased to £465,000, against £727,000.

The tax charge took £91,000 (£235,000) and after minorities of £51,000 (£16,000), the attributable deficit came out at £1.61m, compared with £588,000 profits. Loss per 25p share was 16.3p (6.8p earnings).

The rise in freight rates in the spring led on to the unusual summer slackening of demand, the directors report. An improvement in winter is widely predicted, but as already stressed, the company cannot see any substantial recovery in the near future because of the present oversupply of bulk carriers.

A review of projections, on the same basis as before, has allowed the company to release all but £1.3m of the provision against future losses. This will be applied against the second half. Shipping results for the full year will be disappointing, the directors state, but the second half will be better than the first.

Insurance broking and group finance results seem likely to improve in the second half and show reasonable figures for the full year.

Recent acquistions are expected to make positive contributions to results this year and further similar acquistions are under discussion.

Lyle Offshore Group's results were lower than budgeted. Shearwater's diving support ships operated successfully, but incurred more off hire periods than expected. In Dundee, Kestrel worked well on the Morecambe Bay field topside structures, while a repeat order for flowlines to be constructed at Wick has been received.

Following Kestrel's sale of Halliday Construction and closure of its Aberdeen works earlier in the year, Shearwater sold Submersible Television Surveys in August.

Although Lyle Electronics is unlikely to contribute to the results in the current year, the directors hope it will grow rapidly in the future.

Results due next week

Drugs company Glaxo has outperformed its sector and almost the whole of the stock market with its impressive development and marketing strategy. Its latest wonder drug, Zantac, has quickly established a 20 per cent market share for anti-ulcer drugs in the U.S. after an aggressive marketing battle against the established Tagamet drug. Occasional rumours about side effects (the latest connecting Zantac with herpes) give the shares the odd tremor but there seems no doubt that Glaxo will make around £200m pre-tax profits for the year to June 30 to be announced on Monday paying a net final dividend of possibly 8.5p to make 11.25p for the year.

Coats Patons took the full effect of February's 23 per cent devaluation of the Brazilian cruzeiro in last year's figures. Nevertheless, the continuing depression in that market, which generates more than a third of group profits, means margins in Brazil are likely to have suffered. That should be partly counterbalanced by an improvement, especially in retail sales, in the UK and the U.S. when the group announces its results for the six months to June 30 on Thursday. Add to that a currency gain of perhaps £4m due to the weakening of sterling against the U.S. dollar since December, and Coats looks set to turn in a slight increase to about £28m against £26m in the comparable period. There seems to be no good reason for Coats to break with its tradition of maintaining the interim dividend.

Bejam's customers have been tempted away from frozen food by an avalanche of cheap fresh vegetables in other stores all year. Since the group uses frozen vegetables to help sell other higher margin frozen products, volumes all round are likely to have been poor. At the same time, it looks as if Bejam's price inflation has only been 2 or 3 per cent, so margins are bound to have come under pressure. It cannot be long before the food price pendulum swings the other way to Bejam's advantage. But in the meantime, pre-tax profits are not likely to be far above the previous year's £12.2m when Bejam reports its results for the 12 months to July 1 on Wednesday. In view of the bright prospects for 1984, the consensus is for a small rise in the final dividend to give a total for the year of perhaps 3.25p net against 2.75p.

When Steel Brothers announces its results for the six months to June 30 on Wednesday, few people are expecting any great excitements from its main profit earning activity, catering for hungry oilmen and other expatriates in the Gulf, which brings in some 60 per cent of the total. Steel is bound to feel the effects of any slackening in oil production in the region. However, it has been busy adding new contracts to the important airline catering operation. And demand for its North American rock products and construction materials seems to have picked up well on the back of a recovery in the construction industry in the U.S. and Canada. On that basis, Steel is on track for a modest profits improvement to around £5m before tax against £4.2m in the comparable period, with a similarly modest rise in the interim dividend from 3.5p to perhaps 4p net.

Hammerson, one of the UK's best quality international property companies, has had a quiet first half as Sydney Mason warned in his chairman's statement. It will benefit from the £70m rights issue of last April and might just have a small dealing profit though the main benefit of the Staines letting will come in the second half. On course for pre-tax profits of around £25.5m for the year, the market expects £11.5m for the first half to June to be published on Friday with an interim net dividend of 3.5p net up from 3p.

Bowthorpe is continuing its successful move upmarket from an electrical components manufacturer largely for the white goods sector to a more specialised manufacturer of process controls and electro-mechanical systems. The French associate, Cie Deutsche, continues to trade at a lower level and the Australian market is dull; but Bowthorpe's main markets in the U.S. and UK look buoyant and the company should reveal interim figures next Tuesday of around £7m pre-tax, up from £6.05m, with a possible 10 per cent increase in the dividend to 1.84p net.

Company	Announcement due	Dividend (p)* Last year Int	Final	This year Int
FINAL DIVIDENDS				
Anvil Petroleum	Tuesday	—	—	—
Armour Trust	Wednesday	—	0.15	—
Bejam Group	Wednesday	1.25	1.5	1.5
City of Aberdeen Land Association	Monday	3.77777	9.11111	4.25
Druck Holdings	Thursday	—	1.0	1.1
Guildhall Property Co	Tuesday	0.75	4.8	0.75
Highland Electronics Group	Thursday	—	1.0	—
Kent, M. P.	Monday	0.36	0.9	0.36
London and Strathclyde Trust	Tuesday	0.8	1.4	0.85
Lyles, S.	Monday	2.5	3.75	2.5
Maunders, John Construction	Thursday	—	—	—
Pearce, C. H.	Thursday	1.41667	3.25	1.41667
Photo Me International	Thursday	4.5	9.0	4.5
Pochins	Wednesday	0.875	8.125	0.875
Scottish Metropolitan Properties	Wednesday	1.3	1.8	1.5
Thorpe, F. W.	Thursday	1.05	1.65	1.15
INTERIM DIVIDEND				
Allebone and Sons	Friday	—	0.5	
Alkfund	Tuesday	2.5	5.0	
Alva Investment Trust	Monday	7.0	8.0	
Ash and Lacy	Wednesday	6.0	10.8	
Bowthorpe Holdings	Tuesday	1.673	2.386	
BSG International	Thursday	0.1	—	
R. Cartwright Holdings	Wednesday	1.75	3.375	
Casa Group	Wednesday	—	2.5	
Clive Discount Holdings	Thursday	1.3	1.8	
Coats Patons	Thursday	1.4	2.8	
Edinburgh Investment Trust	Monday	5.5	1.3	
Electronic Machine Co	Tuesday	—	—	
Energy Services and Electronics	Tuesday	0.4	0.8	
Farnell Electronics	Thursday	0.75	1.25	
First Castle Electronics	Friday	1.0	1.5	
Fogarty	Wednesday	1.6	2.42	

Company	Announcement due	Dividend (p)* Last year Int	Final	This year Int
Fothergill and Harvey	Monday	2.75	3.75	
Gates, Frank G.	Thursday	—	2.4	
Greenbank Industrial Holdings	Wednesday	0.5	1.3	
Hammerson Prop Invest & Dev Corp	Friday	3.0	10.0	
Hanson TC	Wednesday	0.61	1.58	
Helene of London	Wednesday	0.37	1.11	
James, Maurice Industries	Thursday	0.5	0.75	
Lee Cooper	Friday	1.225	2.1	
London Sumatra Plantations	Wednesday	2.0	6.0	
Michelin Tyres	Monday	—	—	
Midland Marts Group	Tuesday	1.25	2.75	
Minster Assets	Monday	1.2	3.0	
Mowlem, John	Thursday	2.1	8.4	
Newmarket Company (1981)	Thursday†	—	—	
Office and Electronic Machines	Thursday	2.5	5.0	
Photax (London)	Friday	—	—	
Roberts, Adlard	Friday	1.0	4.0	
Senior Engineering	Tuesday	0.75	0.75	
Sindall, William	Monday	—	7.5	
Spirax-Sarco Engineering	Wednesday	1.7	3.3	
Steel Brothers	Wednesday	3.5	8.0	
Time Products	Thursday	—	—	
UEI	Friday	1.8	3.2	
United Parcels	Wednesday	0.7	1.85	
Ward White Group	Tuesday	1.4	3.06	
Walker, J. O.	Wednesday	1.0	2.5	
Waterford Glass	Tuesday	0.75	1.04765	
INTERIM FIGURES				
CPU Computers	Wednesday			
Lawtex	Monday			
Microlease	Monday			
Montford Knitting Mills	Monday			

*Dividends are shown net pence per share and adjusted for intervening scrip issues.
† Nine months.

Turriff falls to £473,000 midterm

IN THE first half of 1983, profit of Turriff Construction has fallen from £663,000 to £473,000, and will not be recovered over the rest of the year, the directors state.

The failure to meet profit expectations was due to the very poor performance of one of the construction regions, and also to bad weather in the first half.

However, the directors remain confident about "ongoing prospects," which are based on a broad spread of interests. Property developments will produce material profits in the coming year.

Tax takes £35,000 (£85,000) and minorities a credit of £3,000 (debit £15,000), leaving the net attributable profit at £381,000 (£563,000). Earnings are shown as 8.6p (12.8p) per share. In 1982 the group made a profit of £2m and paid a single dividend of 5.8p.

Campari setback

A SETBACK has been experienced by Campari International in the six months ended May 31 1983. With margins under extreme pressure the pre-tax profit has reached only £53,000 compared with £182,000 in the corresponding five months. The interim dividend is being cut from 1.1p to 0.5p.

Mr H. H. Lipton, chairman of this group importing and distributing leisure, camping and boating equipment, expected an increase in turnover and profitability for this year.

In the event, turnover rose by more than 20 per cent, from £9.13m to £12.8m, proving a total acceptance of the product range. But unfavourable economic conditions have reduced profits and this situation is likely to continue for the rest of the current year, the chairman states.

Reductions in interest rates and, hopefully, an improvement in the economic climate will contribute towards increased profitability in the next financial year, he tells members.

After tax £51,000 (£2,000), including an overseas charge of £35,000 (£33,000), the net profit came out at £2,000 (£180,000). Earnings were 0.03p (2.22p). Reserves have decreased by £52,000, being the difference on translation of net assets of overseas subsidiaries.

In the 18 months ended November 30 1982 the group made a profit of £700,000 and paid a total dividend of 4.1p—equal to 2.73p annually.

Utd. Guarantee

For the six months to June 30, 1983 pre-tax profits of United Guarantee (Holdings) amounted to £75,300. This compares with £12,400.

The directors point out that as a result of a change in accounting date the interim period in the past covered the whole of the group's peak winter trading months whereas it now reflects only part. The company's interests include fuel oils and heating services.

Turnover at midterm was £8.65m (£7.83m). Tax absorbed £39,156 (£4,448) for earnings of 0.64p (0.12p) per 5p share and the net interim dividend is held at 0.25p. For the 15 months to the end of 1982 a 0.75p total was paid.

Courtney Pope

Better results from the U.S. and a major contribution from its engineering division helped Courtney, Pope (Holdings) increase pre-tax profits from £0.92m to £1.1m for the year ended May 31, 1983. Turnover of the group, which also has interests in specialist contracting, shopfitting and electricals, rose from £25.43m to £28.94m.

Trading conditions in the first four months of the current year have been good and most group companies have satisfactory order books, the directors state. They expect a further advance will be made by the year end.

The 1982-83 net dividend is being raised by one third to 4.8p (3.6p) with a final of 3.2p. Earnings per 20p share advanced from 13.41p to 17.96p.

Findhorn pays 18p

Findhorn Finance, the whisky stock financing company, is paying a final dividend of 11p, to raise the total from 17p to 18p for the year ended July 31, 1983.

Turnover for the year fell from £2.14m to £1.71m, and profit from £324,000 to £254,000 before tax of £55,000 (£55,000). Earnings are shown at 33.9p (43.2p).

Hartley Industrial

For the year to March 31, 1983, pre-tax profits of Hartley Industrial Trust improved sharply from £81,000 to £306,000. This continues the progress made at halfway when an advance from £47,000 to £168,000 was reported.

Turnover for the 12 months rose marginally to £673,000 (£653,000).

Earnings per 20p share expanded from 1.07p to 6.83p pre-extraordinary credits of £610,000 (£1.16m), but fell from 68.2p to 42.19p after such items, which related to surpluses on investment property disposals.

Rights result

The rights issue of 1.25m shares by Anglo Indonesian has been taken up as to 87.1 per cent. The balance has been sold in the market at 107½p per share.

Radio Aire's rights issue attracted a take up of only 26.6 per cent. The balance has been taken up by Samuel Montagu, and others including existing shareholders as underwriters to the issue.

Crystalate forecasts 32% profits growth to £3.15m

BY CHARLES BATCHELOR

Crystalate Holdings, the Tunbridge Wells-based electronics components maker, yesterday forecast a 32 per cent increase in its 1982-83 profits in support of its £21m bid for Royal Worcester.

Crystalate expects pre-tax profits of about £3.15m in the year ended September 30 1983 against £2.39m previously.

Mr John Leworthy, the Crystalate chairman, said a cash element could be introduced into the previously all-share bid if this became necessary.

Crystalate has offered 19 new shares and £16 nominal of 8½ per cent convertible unsecured loan stock 2003 for every 16 Royal Worcester shares. The offer was worth 311p per Royal Worcester share at yesterday's Crystalate price of 178p. Royal Worcester's shares were unchanged at 315p.

Comparing the performance of both companies in 1978-1983 period, Crystalate said its pre-tax profit had risen 287 per cent against a fall at Royal Worcester of 32 per cent. Its turnover had risen 143 per cent against 30 per cent while dividends per share were up 227 per cent against Royal Worcester's 31 per cent.

Mr Leworthy said Crystalate had no specific plans to dispose of Royal Worcester's industrial and fine china activities. Its prime interest is in the company's Welwyn Electronics subsidiary.

Edward Marshall Boehm Inc, a U.S. maker of fine porcelain has expressed an interest while another U.S. and a French company are also understood to have been looking at Royal Worcester.

Crystalate's offer document revealed that Mrs R. A. Opperman, the wife of Mr Richard Opperman, a director of the company, had bought 505 Royal Worcester shares at 190p on June 28 and sold them on September 23 at 315p. Crystalate announced its bid on September 13.

Mr Leworthy said: "The Oppermans apparently conduct their investment affairs separately. It is a matter of embarrassment, I admit, but it is only 505 shares."

Royal Worcester responded saying there was nothing in the offer document to alter its previously stated view and that the terms of the offer were unacceptable.

Taubman wins over 50% of Sotheby's to clinch bid

BY CHARLES BATCHELOR

Mr Alfred Taubman, the American property multimillionaire has gained control of 50.6 per cent of the equity of Sotheby's the fine art auctioneer, clinching his £82m agreed bid for the company.

The Taubman bid, which was pitched at gaining control of at least 50 per cent of the ordinary shares was yesterday declared unconditional.

Lazard Brothers, the merchant bank which is advising Mr Taubman, said it expected that the owners of the remaining shares would now accept the offer. Control of more than 90 per cent would allow Sotheby's to be removed from the public domain and become a private part of the Taubman empire.

Lazards announced yesterday that acceptances had come in from the holders of 8.3 per cent of the ordinary shares taking the Taubman holding to 50.6 per cent.

The Taubman offer, of £7 cash per share, still had until October 13 to run, but now that it has gone unconditional will be extended until further notice.

Mr Taubman has also received acceptances from the holders of 10.6 per cent of the preference shares. He previously held none.

Dage Precima part of Emhart's £9m expansion

Emhart Corporation, a Farmington, Connecticut-based industrial group, has acquired Dage Precima, a semi-conductor assembly company of Colchester, Essex.

Emhart has also acquired two other companies, Bemarflex, a Rome, Italy, manufacturer of cellulose insole materials, and Macquinas Imacal Mohrhack of Nova Hamborgo, Brazil, a manufacturer of shoe machinery.

The value of the three acquisitions is $14m (£9.4m). No breakdown of the individual deals was given.

Dage Precima will add the capability of surface mounting or chip placement to Emhart's automatic electronic component insertion systems.

This means components of a printed circuit can be fixed to the surface, eliminating the need for holes and allowing both sides of the board to be used for different circuits. Dage will become part of the U.S. group's Dyna-Pert division.

Emhart makes machinery for the shoe, packaging and other industries and other products such as door locks, shop equipment and Bostik glue.

L. B. Holliday suspended

THE STOCK exchange listing of LB Holliday Holdings, a company whose sole asset is a debt owed to it fro ma subsidiary put into liquidation last year, was suspended yesterday "pending clarification of the company's position."

The announcement comes within 24 hours of news that the liquidator for the subsidiary, Booth White and Co, has rejected its claim, which was based on a debt said to be just over £3.5m.

From a Queen's Award for exports in 1978, the decline of L. B. Holliday's single operating subsidiary, L. B. Holliday and Co, was steep. The Huddersfield-based company, which made dyestuffs and intermediate products, moved into loss in 1979 and a receiver was called in by Lloyds Bank in October 1981.

In March last year, the receiver, tSoy Hayward, sold the assets of the company, which continued to operate as a going concern, to a Jersey-based consortium headed by Mr Terry Brain.

The consortium renamed its operations Holliday Dies and Chemicals. The sum paid for the assets was not disclosed.

The shell company, L. B. Holiday and Co was then put into the hands of a liquidator. The directors of the holding company said yesterday that they had notified the liquidater of the £3.5m debt and after seeking advice had prepared company accounts on the basis that they would recover about 30p in the pound—about £1m.

No directors were available for comment yesterday, though a statement said they were taking legal advice.

SHARE STAKES

Muirhead — Sir Raymond Brown, a director, has purchased a total of 35,000 ordinary increasing holdings to 624,375 shares (7.4 per cent).

Brown and Tawse—The interest of J. David Kyd has increased from 1.36m to 1.7m ordinary (8.18 per cent). This further interest is non-beneficial.

New Court Trust— N. M. Rothschild and Sons (CI) Guernsey purchased 20,000 ordinary bringing its total holding to 1.22m shares (24.335 per cent).

Good Relations Group — A. B. M. Good, a director, has sold 102,000 ordinary reducing holding to 1.06m shares. M. Smith, a director, has sold 69,000 ordinary reducing holding to 731,544 shares. J. M. Atkins, a director, has sold 15,000 ordinary reducing holding to 135,690 shares. E. H. G. Bradley, a director, has sold 2,500 ordinary reducing holding to 178,721 shares. P. B. Hamilton, a director, has sold 1,500 ordinary reducing holding to 167,710 shares. R. J. Wakeley, a director, has sold 10,000 ordinary reducing holding to 122,397 shares.

Lake and Elliot—Europeo N.V. has acquired 25,000 ordinary increasing holding to 700,000 shares.

Kenning Motor Group—Kuwait investment office holds an interest in 5.45m ordinary shares in the company, designated the Securities Management Trust AA Account (12.92 per cent).

P. Panto—M. A. Flanaghan holds 200,000 ordinary (5.58 per cent).

Aidcom—Mr J. G. C. Pilditch has disposed of 150,000 ordinary shares at 80p, and 150,000 at 85p. He now holds 1.79m (13.4 per cent).

Gordon and Gotch Hdgs—C. N. A. Gallo of Johannesburg has purchased 150,000 25p shares, increasing its holding from 26.5 per cent to 29.8 per cent.

Nineteen Twenty-Eight Inv. Tst.—London and Manchester Group now holds 9.61m ordinary stock (26.4 per cent).

Widney — Jove Investment Trust has reduced its holding from 850,000 to 700,000 ordinary shares.

Gordon and Gotch — Gordon and Gotch of Melbourne has sold 400,000 shares, thereby reducing holding from 28.7 per cent to 19.9 per cent.

Chemical Methods halts dealings

By David Dodwell

Chemical Methods Associates, the U.S. dishwasher maker launched as a glamour stock on the Unlisted Securities Market in May this year, requested suspension of dealings in its shares yesterday, pending an announcement.

The shares were suspended at 60p—far below the 115p at which they were launched. It was understood at the time that the offer for sale—worth about £4.3m—was about 15 times oversubscribed.

In the wake of the suspension, the company said a further statement would be made next week which would include an announcement of pre-tax profit figures for the six months to June 30 this year. At the time of the launch, Chemical Methods forecast a pre-tax profit of not less than $4m for 1983, compared with $919,000 in 1982.

City analysts were predicting yesterday that profits at the half way stage will be well below the full year target.

Chemical Methods was seen as something of an anomaly when it was launched on the USM. Many were puzzled that a U.S. company should seek a listing in the UK rather than the U.S.

In reply, chairman Mr Garth Bischoff argued that Chemical Methods did not want to wait the five years necessary before listing in the U.S. was possible. In addition, he predicted rapid expansion in Europe, which would soon shift the California-based company's centre of gravity across the Atlantic.

The company specialises in making and marketing dishwashers for the food service industry. It also supplies the chemicals involved in a washing process that is supposed to be highly energy efficient.

Eastern Produce

Eastern Produce (Holdings) has disposed of the Ernest Notcutt Group, including the assets, business and goodwill of Ernest A. Notcutt and Company, to the Clarkson Puckle Group, for a total consideration of £3.05m in cash.

The Ernest Notcutt Group and Ernest A. Notcutt and Company carry on the business of insurance broking.

BET Omnibus

BET Omnibus Services has sold to its parent company, British Electric Traction Co, its wholly owned subsidiary, Murphy Bros, (Bulk Transport) for £567,00 cash.

The sale will enable Murphy Bros, to be transferred to the freight and passenger transport division of the parent company.

Mercantile House

Mercantile House Holdings has been informed that an investment company controlled by the family of Mr R. B. St.J. Barkshire has sold 280,000 ordinary in MHH in order to realise funds to meet commitments arising in the normal course from its other activities.

Mr Barkshire has told MHH that this disposal is unrelated to the company and his continuing position as chairman.

Caparo/Dares

Caparo Properties has acquired 375,000 ordinary of Dare Estates, bringing its holding to 2m ordinary (9.37 per cent).

Bridgwater Bros.

Bridgwater Bros Group has acquired Protective Materials and Corrosion Technical Services, previously wholly owned by the John Mowlem Group.

AGA raises £23m on UK market

BY KEVIN DONE AND ALISON HOGAN

Enskilda Securities, the London investment banking arm of Sweden's largest bank Skandinaviska Enskilda Banken, managed yesterday to raise £23m of new equity capital for AGA the Swedish industrial gas group in the UK market.

Three weeks ago AGA was forced to postpone the issue of 780,000 new shares when the Stockholm market was hit by an attack of nervous selling. A syndicate including Hambros, Svenska International and Enskilda Securities managed the original aborted issue. Rowe and Pitman and Grieveson Grant acted as brokers.

Earlier this week the Swedish market bounced back and Enskilda jumped in on its own taking the unusual risk of actually purchasing outright from AGA 540,000 new shares worth £16m. It got brokers Cazenove to place the shares yesterday morning. By lunchtime, the issue was so oversubscribed they placed a further 240,000 shares originally earmarked for the U.S. market.

The issue marks AGA's first attempt to raise equity directly in the international capital market. Previously it has only issued two convertible bonds abroad. It is in the midst of an ambitious capital investment programme now running at SKr 500-600m a year chiefly for the building of new atmospheric gas (nitrogen and oxygen) plants and distribution equipment.

The issue of non-restricted B series shares was priced at SKr 345 per share against a market price this week of around 360 SKr per share.

Enskilda Securities was set up in London in November 1982 as an investment banking arm of SEB to service the international capital market needs of its clients. Seven of its directors have come from Hambros which was lead manager to the original AGA placement.

AGA is the latest in a growing list of Swedish corporations seeking new equity abroad including Perstorp and Alfa Laval. Enskilda has been involved in five out of six major Swedish placings in the UK.

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Hoteliers David and Frederick Barclay emerged as the buyers of **Ellerman Lines**, the privately-owned loss-making shipping and brewing group, for nearly £50m cash. Ellerman Lines is involved in container shipping and also owns two brewery groups, J. W. Cameron of Hartlepool and Tollemache and Cobbold of Ipswich. Two charitable trusts own 79 per cent of the Ellerman equity and in March had indicated that they were looking for a buyer.

The Tate family is offering 210p per share cash to buy the 48.2 per cent of **Tate of Leeds** it does not already own.

Croda International, the chemicals processing group, sold its subsidiary Synthetic Chemicals to **Shell Petroleum** in a deal worth £14.5m.

Dealings in **Rightwise**, the plantations group, resumed at 233p, compared with the suspension price of 200p, following details of an agreed offer from **Crosby House** for the 48 per cent of the company it does not already own. The share or loan stock offer values Rightwise at 238.5p per share.

Edenspring, the travel, motor and estate development group which rose from the ashes of Pennine Commercial, is to acquire **Oric Products**, a computer company founded last year, in a deal worth up to £8m. The deal is likely to result in Edenspring losing its Stock Exchange listing, but the company is making provision for share dealings to continue on the over-the-counter market.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Baraoora	216	205	150	3.11	Finlay (James)
Branon	30*	30	58	0.92	Taddale
Drake and Scull	116‡§§	113	85	21.33	Simon Engineerg
Hawkins & Tmpsn	35*§	43	38	2.13	Evered
Helical Bar	85*§	90	75	1.89	Exent
Huntleigh	215	218	203	30.88	Flight Refuelling
Illingwth Mrrs Ord	14¾*§	16	18	1.73	Mr A. Lewis
Illingwth Morris A	10¼*§	11	11	0.62	Mr A. Lewis
Ingram (H.)	65*§	300	80	1.02	Wasskon
Ins Cpn of Ireland	280‡	274	224	125.35	Allied Irish
Rightwise	238½*§	215	200	2.57	Crosby House
Royal Worcester	311	315	275	21.05	Crystalate
Spring Grove	50*†	48	48	16.68	Pritchard Services
Spring Grove	64½	46	43	21.39	Sunlight Serv
Sunlight Serv	232¼	215	192	28.17	Brengreen Hldgs
Tate of Leeds	210*§	200	170	1.21	Tate family
Tecalemit	43§§	46	29	14.70	Siebe Gorman
Telfos	40*§	42	38	2.08	Plantation and Gen Ivs
Twinlock	71*	68	60††	15.17	Acco World Cpn
UBM Group	129½§§	124	99	75.93	Norcros
Westminster Prop	35¼*§	32	32	9.85	Milbury
Wheeler's Rstrnts	485	485	485	7.42	Kennedy Brookes
Whittingh'm (W.)	130*¶	127	114½††	8.11	Comben Group

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ‖ Loan stock alternative. ** Based on 7/10/83. †† At suspension. ‡‡ Estimated. §§ Shares and cash.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
AB Electronic	June	2,840	(1,300)	44.0	(21.4)	12.0	(7.5)
Amstrad Cns Elec	June	8,040	(3,280)	28.5	(13.5)	2.84	(2.37)
Bailey, Ben	June	231	(82)	4.4	(1.6)	1.2	(0.8)
Beckman, A.	June	1,210	(1,240)	7.2	(9.8)	5.73	(5.73)
Bell, A.	June	31,270	(27,600)	18.6	(14.9)	4.1	(3.44)
Cocksedge	March	735L	(493)L	—	(—)	—	(—)
Dunton Group	May	114	(32)	0.3	(0.1)	—	(—)
FII Group	May	728	(543)	9.9	(7.9)	5.25	(5.04)
Fitzwilton	June†	561	(748)	2.0	(2.5)	2.0	(3.5)
Gent, S. R.	June	5,180	(4,260)	14.6	(11.8)	—	(—)
Goodwin	Apr	303	(264)	6.7	(2.5)	0.53	(0.53)
Halstead, J.	June	2,270	(1,802)	9.1	(7.6)	3.0	(3.4)
Kwahu Company	June	162	(68)	30.0	(24.8)	1.25	(1.0)
Lister & Co	March	272L	(160)	—	(0.6)	0.1	(0.1)
Mitchell Cotts	June	7,380	(9,740)	4.5	(4.4)	2.12	(2.12)
Precious Metals	July††	335	(140)	1.5	(0.8)	0.55	(0.05)
Raine Industries	June	724	(276)	3.7	(1.3)	0.64	(0.4)
Ratcliffe, F. S.	April	57L	(190)L	—	(—)	—	(—)
Renishaw	June	1,720	(636)	3.3	(1.4)	0.7	(—)
Sharpe, Charles	June	548	(44)	—	(—)	32.0	(8.24)
Somportex	April	396L	(65)L	—	(—)	1.0	(1.5)
Unigroup	July	53	(66)L	1.3	(—)	—	(—)
Young, H. Hldgs	May	53	(119)L	2.8	(—)	—	(—)

Offers for sale, placings and introductions

Bristol Waterworks Company—Offer for sale by tender—£6m of 6.5 per cent redeemable preference stock. Minimum tender price of 100p.

F. and C. Enterprise Trust to raise £10.9m by issuing for cash 36.6m new shares of 10p for 31p per share.

FKI Electricals—Coming to full listing via a placing of 16m shares.

Harvard Securities seeks full isting on the Stock Exchange.

International Thomson Organisation—Placed 7m new shares to raise £45m.

Tottenham Hotspur—Coming to the Stock Market via an offer for sale of 3.8m shares at £1 each.

Woodchester Investments—Placing of 1.15m shares at 84p.

Rights Issue

Inn Leisure to raise £1.5m by a rights issue of 5.26m shares at 30p each. Shares on offer on basis of 1 for 4.

Scrip Issue

Charles Sharpe—1 for 3 scrip issue proposed.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Austin Reed	Aug‡‡	1,120	(830)	1.5	(1.0)
Benlox Holdings	June	104	(54)	0.5	(—)
Bilton, Percy	June	4,740	(4,267)	3.7	(3.5)
British Syphon	June	86	(2)	—	(0.5)
Bronx Engnrng	May	109	(233)	0.25	(0.25)
Bruntons	June	804	(802)	4.25	(4.25)
Cape Industries	June	3,430	(1,980)	1.7	(1.7)
Christies Intl	June	4,130	(1,120)	2.5	(2.0)
Clarke Nicholls	June	237	(104)	2.0	(1.75)
Cliffords Dairies	June	1,510	(1,270)	2.0	(1.8)
Comfort Hotels	July	527	(108)	0.22	(0.2)
Crowther, John	June	38L	(114)L	—	(—)
Currys	July	9,360	(3,890)	1.4	(1.0)
Duncan & Gdrche	June	540	(26)	—	(—)
Dwek Group	June	33	(59)L	—	(—)
Elbar Industries	June	178L	(1,180)	—	(—)
Foseco Minsep	June	5,540	(9,320)	2.65	(2.65)
Freemans	Aug	4,570	(3,150)	1.9	(1.9)
Glossop	July	402	(419)	1.58	(1.58)
Hambro Life Assr	June	—	(—)	4.7	(4.03)
Hwdn Stuart Plnt	July	2,220	(1,220)	0.48	(0.48)
Higgs & Hill	June	2,830	(2,090)	4.0	(3.25)
Holt Lloyd Intl	Sept‡‡	2,176	(1,067)	1.5	(1.5)
House of Lerose	June	536	(622)	3.0	(3.0)
Hurst, Charles	June†	34	(212)	2.0	(1.33)
Jefferson Smurfitt	July†	2,610	(5,510)	1.4	(1.4)
Johnston Group	June	1,830	(2,290)	2.0	(2.0)
Laing Properties	June	7,400	(6,300)	2.25	(2.0)
Lamont	June	612	(154)	0.5	(0.4)
Macallan-Glenlvt	June	313	(246)	2.25	(2.25)
Martin, Albert	June	238	(246)	0.75	(0.75)
Midland Industs	June	1,830L	(305)	—	(1.1)
Molins	June	3,200	(3,200)	2.2	(2.2)
Ruberoid	June	1,850	(1,310)	2.0	(1.6)
Rugby Cement	June	10,710	(11,270)	2.7	(2.6)
Sears Holdings	July	60,300	(35,200)	1.0	(1.0)
Silentnight	July	2,100	(1,900)	1.0	(1.0)
Silkolene Lub	July	564	(683)	2.5	(2.0)
Spear & Jackson	July	387	(845)L	1.75	(1.0)
Sthmptn IoW Stm	June	619	(448)	3.0	(2.5)
Stylo	July	583L	(682)L	—	(—)
Tootal	July	4,470	(5,980)	1.1	(1.1)
Toye	June	131	(20)	—	(—)
Watts, Blake, etc	June	1,550	(1,920)	1.5	(1.42)
Wingate Prop Inv	June	350	(424)‡	0.5	(—)

(Figures in parentheses are for the corresponding period.)

* Dividends are shown net except where indicated. † In £I. ‡ For the previous 12 months. †† Previous figures cover period from September 16 to end of July 1982. ‡‡ 28 weeks. L Loss.

APPOINTMENTS

Information systems chief for BR

BRITISH RAILWAYS BOARD has appointed Mr David J. Cobbett to the new post of director, information systems and technology. He will be responsible for directing and co-ordinating the use of computer-based information technology throughout BR. He was director of strategic studies concerned with main line electrification and London commuter services. He will be responsible for the use, purchase and organisation of computer-based technology and his objectives will include the spread of information systems through all departments.

★

Mr Howard S. McKenzie and Mr Roderick T. Whittaker have been appointed directors of HOWARD HUMPHREYS & PARTNERS.

★

Sir Donald Barron, chairman, Midland Bank, has been appointed a member of the NATIONAL ECONOMIC DEVELOPMENT COUNCIL.

★

Mr Peter Jewiss, marketing manager of PROTECTO PRODUCTS, Stratford, has been promoted to executive vice-president, and joins the board.

★

Mr James McMillan has been appointed director of group communications for the international group of ALLEGHENY INTERNATIONAL, INC of Pittsburgh. He will be based in London, and was formerly a senior executive with IPC Magazines. The AI international group comprises Wilkinson Sword, Bryant & May, Graviner (fire protection devices) and Pains-Wessex (pyrotechnics), and all the companies of the Sunbeam Corp outside Canada and the U.S.

★

Mr Ian Yates has retired from the board of NSS NEWSAGENTS, and as managing director of wholesale confectionery subsidiary, Ian Yates, but will continue on this board as a non-executive director.

★

Mr Ronald M. Watt has been appointed head of marketing planning in marketing division at BRITISH GAS, in place of Mr Simon Kirk from November 1. Mr Watt is assistant director, European and energy policy, in economic planning division.

★

Mr Derek Gledden has joined ALCOA MANUFACTURING (GB) at Swansea as managing director — rolled products. He was previously with British Aluminium Co. and latterly British Alcan as deputy managing director—rolled products.

★

Mr Peter Evans Lombe has been appointed a director of HAMBROS BANK. He has joined the bank's fund management division where he will be responsible for the management of the private client portfolios. Mr Evans Lombe was a partner at Kitcat & Aitken, stockbrokers, from 1967 to April 1983.

★

Mr Michael Barat has been appointed UK general manager of SOCIETE GENERALE. He succeeds Mr Raymond Gély who, after six years in Great Britain, is returning to the bank's head office in Paris where he will assume responsibility for South and South East Asia, the Far East and Australasia. He will also remain a director of Société Générale Bank (Nigeria). Mr Barat, formerly managing director of Société Générale Bank (Nigeria) was responsible for developing that bank's activities from its inception in 1977. He previously served as UK deputy general manager from October 1972 to February 1977.

★

The NATIONAL FREIGHT CONSORTIUM has appointed Mr John L. Copland a director. He is managing director of the NFC's regional group, covering companies in Scotland and Northern Ireland.

★

RED BRIDGE (BOLTON) has appointed Mr David Hennis as commercial director, Mr Brian Gormley as works director and Mr Donald Scowcroft as financial director. Mr Hennis was previously managing director of the Red Bridge associate company Red Gate (Bolton).

★

BECK AND POLLITZER CONTRACTS has appointed Mr T. E. W. Hutchings as chairman and Mr D. W. Berrie becomes managing director.

★

Mr N. C. Haworth and Mr R. J. Nightingale have been appointed directors of COMMUNITY REINSURANCE CORP.

★

Mr Roger G. Colvin has been appointed to the board of CIRCAPRINT HOLDINGS. He will continue to be a partner in the Eastbourne firm of Plummer Parsons and Plummer Parsons (Management Services).

★

Mr J. F. Williams is to retire next spring after 32 years' service with THAMES GROUP. He will be succeeded by Mr G. O. Stewart who is currently chairman of Elida Gibbs.

★

The Prime Minister has asked Mr Charles Read, director of information technology at the Post Office, to become chairman of the INFORMATION TECHNOLOGY ADVISORY PANEL. She has also asked Sir Henry Chilver, vice-chancellor of Cranfield Institute of Technology, to become a member of the Panel. He is chairman of the Advisory Council for Applied Research and Development.

★

Mr. Edward Charles Townsend has been appointed to the board of THE BATH AND PORTLAND GROUP.

★

J. ARON AND CO has appointed Mr Neil R. Newitt as managing director and Mr Kevin M. T. Ryan as director of J. Aron and Co (UK). Mr Newitt replaces Mr John E. Maltby who assumes responsibility for gold trading for J. Aron and Co in New York. Mr Ryan will be responsible for coffee trading in London. J. Aron and Co (UK) is the London affiliate of J. Aron and Co which is a subsidiary of Goldman Sachs and Co, New York.

★

BILLITON (UK) has established a titanium division in the UK. Mr Don Smith, at present general manager and a director of Deeside Titanium, has been appointed head of the new titanium division which will be responsible for the worldwide marketing of titanium granules manufactured by Deeside Titanium and other titanium products.

★

Mr Neil S. Hirsch, who is president and chief executive officer of Telerate, Inc, has been appointed a director of EXCO INTERNATIONAL.

★

Mr Stanley F. Steward has been appointed chairman of ERA TECHNOLOGY following the resignation of Mr Joseph E. Hinde, who remains on the board as a non-executive director.

Economic Diary

MONDAY: Producer Price Index (September provisional). UN Atomic Energy Agency annual conference, Vienna. EEC special council meeting, Athens (until October 12). European Parliament meets, Strasbourg (until October 14). Chinese Foreign Minister Wu Xueqian starts five-day official visit, Washington. Nobel Price for medicine, Stockholm.

TUESDAY: Central Government transactions (including borrowing requirement) (September). London clearing banks' monthly statement (mid-September). Provisional estimates of monetary aggregates (mid-September). Provisional figures of vehicle production (September). Conservative Party conference begins (until October 14). Blackpool: taxation speech by Mr John Selwyn Gummer, party chairman. British Caledonian decision expected on short-haul aircraft purchase. Association of District Councils responds to Government proposals on rates. Thirteen-member steering committee of foreign banks meets on Argentine debt rescheduling, New York.

WEDNESDAY: Index of production and construction for Wales. Conservative Party conference continues — economic policy debate. British Shipbuilders talks on state of industry (includes talks on pay), Newcastle Upon Tyne. TUC economic committee meeting, London. Verdict expected on former premier Tanaka in Lockheed bribes trial, Tokyo.

THURSDAY: Index of output of production industries. Conservative party debates health and industrial relations. NUM executive meets, Sheffield. Mr David Young, chairman of the Manpower Services Commission, speaks at conference on Youth Training Scheme, London. Sir Campbell Fraser, CBI president, attends West Midlands CBI annual lunch, Sutton Coldfields. Anti-nuclear movement plans blockade of North Sea ports, Bremerhaven.

FRIDAY: Tax and Price Index (September). Retail Prices Index (September). Building societies' monthly figures (September). Mrs Thatcher addresses Conservative Party conference. Port industry's national joint council discusses employers' reform proposals for dock labour scheme, London.

EUROPEAN OPTIONS EXCHANGE

Series	Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
GOLD C, GOLD P, SILV C, SILV P, AKZO C, AKZO P, AMRO C, AMRO P, HEIN C, HEIN P, KLM C, KLM P, NEDL C, NEDL P, NATN C, NATN P, PHIL C, PHIL P, RD C, RD P, UNIL C, UNIL P, EOE C, EOE P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOTAL VOLUME IN CONTRACTS: 20,265

A=Ask B=Bid C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	9 %	■ Hambros Bank	9 %
Allied Irish Bank	9 %	Heritable & Gen. Trust	9 %
Amro Bank	9 %	■ Hill Samuel	§ 9 %
Henry Ansbacher	9 %	C. Hoare & Co.	† 9 %
Arbuthnot Latham	9 %	Hongkong & Shanghai	9 %
Armco Trust Ltd.	9 %	Kingsnorth Trust Ltd.	10 %
Associates Cap. Corp.	9½%	Knowsley & Co. Ltd.	9½%
Banco de Bilbao	9 %	Lloyds Bank	9 %
Bank Hapoalim BM	9 %	Mallinhall Limited	9 %
BCCI	9½%	Edward Manson & Co.	10½%
Bank of Ireland	9 %	Meghraj and Sons Ltd.	9 %
Bank Leumi (UK) plc	9 %	Midland Bank	9 %
Bank of Cyprus	9 %	■ Morgan Grenfell	9 %
Bank of Scotland	Ω 9 %	National Bk. of Kuwait	9 %
Banque Belge Ltd.	9 %	National Girobank	9 %
Banque du Rhone	10 %	National Westminster	9 %
Barclays Bank	9 %	Norwich Gen. Tst.	9 %
Beneficial Trust Ltd.	10 %	R. Raphael & Sons	9 %
Bremar Holdings Ltd.	9 %	P. S. Refson & Co.	9½%
Brit. Bank of Mid. East	9 %	Roxburghe Guarantee	10 %
■ Brown Shipley	9½%	Royal Trust Co. Canada	9 %
CL Bank Nederland	9 %	Standard Chartered	‖ 9 %
Canada Perm't Trust	10 %	Trade Dev. Bank	9 %
Castle Court Trust Ltd.	9½%	TCB	9 %
Cayzer Ltd.	9 %	Trustee Savings Bank	9 %
Cedar Holdings	10 %	United Bank of Kuwait	9 %
■ Charterhouse Japhet	9 %	United Mizrahi Bank	9 %
Choulartons	10½%	Volkskas Intnl. Ltd.	9 %
Citibank Savings	¶10½%	Westpac Banking Corp.	9 %
Clydesdale Bank	9 %	Whiteaway Laidlaw	9½%
C. E. Coates	9½%	Williams & Glyn's	9 %
Comm. Bk. of N. East	9 %	Wintrust Secs. Ltd.	9 %
Consolidated Credits	9½%	Yorkshire Bank	9 %
Co-operative Bank	* 9 %		
The Cyprus Popular Bk.	9 %		
Dunbar & Co. Ltd.	9 %		
Duncan Lawrie	9 %		
E. T. Trust	10 %		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	11½%		
First Nat. Secs. Ltd.	11½%		
Robert Fraser	10 %		
Grindlays Bank	‡ 9 %		
■ Guinness Mahon	9 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.5%, 1-month 5.75%. Short-term £8,000/12 months 8.1%.
† 7-day deposits on sums of: under £10,000 5½%, £10,000 up to £50,000 6¼%, £50,000 and over 7½%.
‡ Call deposits £1,000 and over 5½%.
‖ 21-day deposits over £1,000 6½%.
§ Demand deposits 5½%.
¶ Mortgage base rate.
Ω Money Market Cheque Account—9.05%. Effective annual rate—9.43%.

LONDON TRADED OPTIONS

Option	Calls Oct.	Calls Jan.	Calls Apr.	Puts Oct.	Puts Jan.	Puts Apr.
Brit. Petroleum, Cons. Goldfields, Courtaulds, Commercial Union, G.E.C., Grand Met., I.C.I., Land Securities, Marks & Spencer, Shell Transport	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option	Calls Nov.	Calls Feb.	Calls May	Puts Nov.	Puts Feb.	Puts May
Imperial Group, LASMO, Lonrho, P. & O., Racal, R.T.Z., Vaal Reefs, Barclays Bank	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option	Calls Dec.	Calls Mar.	Calls Jun.	Puts Dec.	Puts Mar.	Puts Jun.
Beecham, Boots, De Beers, Guest Keen, Hanson, Tesco	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Oct. 7. Total Contracts 2,072. Calls 1,231. Puts 841.
* Underlying security price.

NEW YORK

Wall St absorbs profit taking

THE DOW JONES Industrial Average moved further into record territory in early trading on Wall Street yesterday, but follow through support was lacking and Blue Chips retreated from their peaks as profit-taking increased.

The D.J. Index, which ended Thursday at a record 1268.80, climbed another 3¼ to about 1272, before slipping back to 1268.39 by 1 pm, off 0.41 on the day but still up 35.26 on the week. The NYSE All Common Index was up 79 cents to $99.23, making a rise of $2.99 on the week. Volume 80.22m shares.

Analysts said the market's action is impressive despite its modest movement. Many had been expecting profit-takers to pressure stock prices lower.

One analyst said some of the strength in the Blue Chip issues now appears to be filtering down into "Secondary" stocks.

Some investors may be trading cautiously in advance of the afternoon's Money Supply figures.

Gulf Oil led the active list, up $½ to $44¾. Tosco, the second most active issue, dropped $3 to $5¾—a published report expressed concern about the company's debt load.

KN Energy further declined $1¾ to $47.

Cincinnati Gas fell $2⅛ to $15¾xd—it said it may abandon its Zimmer nuclear power plant.

Kimberly-Clark advanced $2¼ to $97¾—Morgan Stanley issued a positive report on the company.

Aydin improved $1¾ to $43¼—it predicted higher third quarter profits.

GAP Stores declined $2¼ to $20.

American Express further advanced $1 to $39¾ in active trading.

THE AMERICAN SE Market Value Index firmed 0.46 to 231.53, making a rise of 1.25 on the week. Volume 7.17m shares by 1 pm.

Canada

Stocks continued to advance in early trading.

By mid-day the Toronto Composite Index was up 15.1 at 2,520.3.

The Gold Share Index rose 68.4 to 4,095.3, Oil and Gas 6.4 to 3,619.7 and Metals and Minerals 5.6 to 2,491.6.

Tokyo

The stock market hit a new high for the third successive day, spurred by the recent appreciation of the yen and growing expectations of a cut in Japan's key Discount rate.

The Market Average moved up 32.51 to 9,562.48. Volume 520m (380m) shares.

"The most important factor is the surge of the yen and the expectation of a further rise," said a senior analyst at Nikko Securities.

Analysts agreed that a cut in the discount rate would benefit the stocks of heavily-indebted companies such as those in Steels and Chemicals.

Heavy Electricals attracted Foreign buy orders.

Hitachi rose Y29 to 939 on news it reached a settlement with International Business Machines on a charge Hitachi conspired to steal IBM trade secrets.

Paris

Share prices edged higher in moderate trading.

Dealers said Wall Street's strong performance overnight was the main factor behind the market's gains. Investor buying was heavy when the market opened and Foreign shares were much sought after. Activity, however, trailed off in the afternoon session.

All Foreign sectors were firmer.

Germany

Share prices shook off a mid session bout of profit-taking to hold early gains and close generally firmer as both Domestic and Foreign investors found encouragement in a lower dollar.

A record high Wall Street close Thursday also encouraged trading. U.S. M1 figures expected later were having little effect on markets, with most operators seeing the measure remaining well within its 5 per cent to 9 per cent target range.

The Commerzbank Index of 60 leading shares, calculated at the midsession, rose 6.5 to 968.4.

The Car Sector was particularly sought after. VW rose DM 2.90 to 225.10 and Daimler DM 6 to 595. Tyremaker Conti-Gummi put on DM 2.5 to 117.40.

Chemicals were also in demand.

In Steels, Hoesch slipped DM 2.20 to 101.5 against the general trend.

Amsterdam

Dutch shares were higher in line with Thursday's Wall Street rise, although opening gains were trimmed as the day progressed.

The price rises were spurred by Foreign demand, particularly for Insurers, Publishers and some Internationals.

Some hope of lower Dutch interest rates also encouraged optimism.

Hong Kong

Prices rose in thin early trading, dominated by Institutional interest. The market showed little reaction to news Peking will announce in September 1984 its decision to resume sovereignty over Hong Kong in 1997.

The Hang Seng Index ended 33.13 ahead at 734.05, but was still below last Friday's close of 758.33.

The Index had fallen almost to a 10-month low on Tuesday, ending below the 700 mark at 690.06 for the first time since December 1982.

Brokers said the Stock Market remained vulnerable to political factors and sensitivity will increase as the next round of Sino-British talks, scheduled for October 19, approaches.

Australia

Higher in heavy trading, led by sharp gains among interest holders in Jabiru 1-A exploration well.

Among Jabiru 1-A interest holders, Weeks Australia were up 15 cents at A$1.15, BHP 40 cents to A$12.85, and Ampol Exploration 13 cents to A$1.80 in reaction to details of the first production tests. Brokers said results indicated considerable potential and appeared to support speculation the well has uncovered a major new oilfield.

In general trading, prices rose in response to the record setting performance on Wall Street overnight.

The All Ordinaries Index gained 6.7 to 709.5, but over the week slipped 8.5.

Underpinned by the strong gains among interest holders in Jabiru 1-A and by small gains among leading Minings, the All Resources Index rose 6.4 to 562.2.

Banks surged ahead for the third straight day on sustained heavy overseas buying. Good gains were also seen among Building Material Suppliers, Retailers and Transport issues.

Switzerland

Domestic share prices higher in active trading boosted by lower inflation figures and the recent fall in Domestic interest rates.

But Banks lagged behind the general trend as fears over the International debt situation continue to depress the sector.

Chemicals were sought. Engineerings were little changed.

In Foreign shares Dollar stocks were active and continued firm. Dutch Internationals were mostly higher and Germans gained ground.

Milan

Generally easier in nervous active trading on anxiety over possible additional tax measures, perhaps including a Wealth Tax, which the Government might introduce to supplement the 1984 Budget announced last week.

Closing prices for North America were not available for this edition.

Indices

NEW YORK DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

MONTREAL

TORONTO

NEW YORK ACTIVE STOCKS

CANADA

DENMARK

NETHERLANDS

AUSTRALIA

JAPAN (continued)

FRANCE

NORWAY

GERMANY

SPAIN

SWEDEN

AUSTRIA

SWITZERLAND

BELGIUM/LUXEMBOURG

ITALY

HONG KONG

SINGAPORE

SOUTH AFRICA

FOREIGN EXCHANGES

Dollar weaker

The dollar lost ground in currency markets yesterday, continuing its recent weaker trend. Money supply figures due out after the close of business in London were expected to show a modest fall, although this has become less of a market factor since the aggregate is now within the Federal target range. The fact that the dollar closed on a weaker note ahead of a long weekend — U.S. centres are closed on Monday for a public holiday—is itself something of a novelty. For a long time now the market has always run long dollar positions over the week-end on fears of higher interest rates and unfavourable money supply figures and the idea of running short of dollars over the weekend underlines a basis change in market philosophy.

The dollar closed at DM 2.5645 down from DM 2.5785 and SwFr 2.0850 from SwFr 2.0935. It was also lower against the yen at Y230.65 from Y232.25 and FFr 7.8670 compared with FFr 7.9210. On Bank of England figures, the dollar's trade weighted index fell to 125.1 from 125.7, its lowest level for three months.

Sterling showed a firmer trend. Its trade weighted index closed at 83.3 up from 82.8, having stood at 83.1 at noon and in the morning. Against the dollar it rose to $1.5100-1.5110 at the close, a rise of 1.8c. It was also firmer against the D-mark at DM 3.87 from DM 3.85 and SwFr 3.15 compared with SwFr 3.1275. Against the French franc it rose to FFr 11.8725 from FFr 11.8175 and Y348.0 from Y347.0.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU October 7	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.8659	+2.15	+1.82	±1.5447
Danish Krone ...	8.14104	8.13327	−0.10	−0.43	±1.6425
German D-Mark	2.24184	2.24833	+0.29	−0.04	±1.0842
French Franc ...	6.87456	6.90127	+0.39	+0.06	±1.4052
Dutch Guilder ...	2.52595	2.52529	−0.03	−0.36	±1.4964
Irish Punt	0.72569	0.726403	+0.10	−0.23	±1.6699
Italian Lira	1403.49	1368.21	−2.51	−2.51	±4.1506

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

THE POUND SPOT AND FORWARD

Oct 7	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4965-1.5110	1.5100-1.5110	par-0.05c dis	−0.20	0.05-0.10dis	−0.20
Canada	1.8430-1.8545	1.8525-1.8535	0.05c pm-0.05 dis	—	0.05pm-0.05dis	—
Nethlnd.	4.33¾-4.35½	4.34½-4.35½	1⅝-1½c pm	3.79	3¾-3½ pm	3.22
Belgium	78.75-79.35	78.90-79.00	par-10c dis	−0.76	7-17 dis	−0.61
Denmark	13.97½-14.01½	13.98¾-13.99¾	2.40-3.45ore dis	−2.51	4.55-5.65dis	−1.46
Ireland	1.2000-1.2500	1.2485-1.2495	0.30-0.40p dis	−3.36	0.85-1.00dis	−2.96
W. Ger.	3.86-3.88	3.86½-3.87½	1⅝-1½pf pm	4.26	3⅝-3⅜ pm	3.49
Portugal	185.00-187.00	186.00-186.50	225-530c dis	−24.32	765-865dis	−17.39
Spain	224.70-226.65	226.20-226.40	250-315c dis	−14.98	720-840dis	−13.79
Italy	2350-2363	2356-2358	18½-20½ lire dis	−9.93	52-57 dis	−9.25
Norway	10.92-10.97	10.94¾-10.95¾	3.40-4.10ore dis	−4.11	10.40-11.15d	−3.93
France	11.85-11.88	11.86¾-11.87¾	4¾-5½c dis	−5.18	18¾-20½dis	−6.61
Sweden	11.60½-11.66½	11.64¾-11.65¾	1.40-1.95ore dis	−1.72	6.40-7.00dis	−2.30
Japan	346½-348¾	347½-348½	0.95-0.75y pm	2.93	2.35-2.15 pm	2.59
Austria	27.14-27.30	27.25-27.30	9⅝-7¾gro pm	3.82	24½-19½ pm	3.23
Switz.	3.13-3.16½	3.14½-3.15½	1⅞-1⅝c pm	6.19	4⅝-3⅞ pm	5.24

Belgian rate is for convertible francs. Financial franc 81.00-81.10. Six-month forward dollar 0.13-0.18c dis. 12-month 0.33-0.43c dis.

THE DOLLAR SPOT AND FORWARD

Oct 7	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4965-1.5110	1.5100-1.5110	par-0.05c dis	−0.20	0.05-0.10dis	−0.20
Ireland†	1.2000-1.2060	1.2050-1.2060	0.34-0.30c pm	3.19	0.88-0.80 pm	2.79
Canada	1.2292-1.2310	1.2295-1.2300	0.04-0.01c pm	0.24	0.08-0.05 pm	0.21
Nethlnd.	2.8850-2.8965	2.8855-2.8875	0.99-0.89c pm	3.90	2.55-2.45 pm	3.46
Belgium	52.46-52.65	52.55-52.57	½c pm-1½ dis	−0.11	4-7 dis	−0.42
Denmark	9.2850-9.3320	9.2875-9.2925	2.15-2.65ore dis	−3.09	3.25-3.75dis	−1.50
W. Ger.	2.5600-2.5825	2.5640-2.5650	0.94-0.89pf pm	4.27	2.38-2.33 pm	3.67
Portugal	123.50-124.00	123.70-124.00	150-350c dis	−24.24	500-900dis	−22.63
Spain	149.80-150.50	150.15-150.25	170-210c dis	−15.16	500-600dis	−14.63
Italy	1565½-1571	1566¾-1567¾	13-13¾ lire dis	−10.24	35¾-36½dis	−9.25
Norway	7.2720-7.2940	7.2725-7.2775	2.70-3.00ore dis	−4.69	7.10-7.40dis	−3.98
France	7.8656-7.9150	7.8645-7.8695	2.90-3.20c dis	−4.64	11.70-12.20d	−6.06
Sweden	7.7350-7.7500	7.7375-7.7325	1.40-1.60ore dis	−2.32	4.45-4.85dis	−2.35
Japan	230.50-232.25	230.60-230.70	0.63-0.58y pm	3.14	1.66-1.61 pm	2.83
Austria	18.02-18.12	18.03-18.04	6.20-5.60gro pm	3.91	15-13 pm	3.09
Switz.	2.0800-2.0925	2.0845-2.0855	1.15-1.10c pm	6.46	2.89-2.84 pm	5.49

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 53.65-53.70.

EXCHANGE CROSS RATES

Oct. 7	Pound St'rling	U.S. Dollar	Deutschem'k	JapaneseYen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.511	3.870	348.0	11.873	3.150	4.348	2357.	1.853	78.95
U.S. Dollar	0.662	1.	2.562	230.4	7.860	2.085	2.878	1560.	1.227	52.27
Deutschemark	0.258	0.390	1.	89.92	3.068	0.814	1.123	609.0	0.479	20.40
Japanese Yen 1,000	2.874	4.341	11.12	1000.	34.12	9.052	12.49	6773.	5.325	226.9
French Franc 10	0.842	1.272	3.260	293.1	10.	2.653	3.662	1985.	1.561	66.50
Swiss Franc	0.317	0.480	1.229	110.5	3.769	1.	1.380	748.3	0.588	25.06
Dutch Guilder	0.230	0.347	0.890	80.05	2.731	0.725	1.	542.2	0.426	18.16
Italian Lira 1,000	0.424	0.641	1.642	147.6	5.037	1.336	1.845	1000.	0.786	33.50
Canadian Dollar	0.540	0.815	2.089	187.8	6.407	1.700	2.346	1272.	1.	42.61
Belgian Franc 100	1.267	1.913	4.902	440.8	15.04	3.990	5.507	2985.	2.347	100.

MONEY MARKETS

Further shortage

UK clearing bank base lending rate 9 per cent (since October 4 and 5).

Day to day credit was in short supply in the London money market yesterday. The Bank of England forecast a shortage of around £600m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £278m and Exchequer transactions a further £59m. There was also an increase in the note circulation of £231m.

The Bank gave assistance in the morning of £625m, comprising purchases of £43m of eligible bank bills in band 1 (up to 14 days) at 9⅛ per cent and £226m in band 2 (15-33 days) at 9 per cent. In band 3 (34-63 days) it bought £111m of eligible bank bills at 8{15/16} per cent and in band 4 (64-91 days) £106m of local authority bills and £139m of eligible bank bills all at 8⅞ per cent. There was no further assistance given in the afternoon.

In the interbank market weekend money opened at 9¼-9½ per cent and eased to 9-9¼ per cent. Trading levels were confined to a narrow range for much of the day with a low of around 8¾ per cent seen. However closing balances were taken in the region of 11 per cent. Period rates were slightly easier where changed. The Treasury bill rate fell by 0.1311 per cent to 8.8369 per cent after the recent half point fall in clearing bank base rates.

LONDON MONEY RATES

OTHER CURRENCIES

Oct. 7	£	$		£ Note Rates
Argentina Peso...	20.25-20.45	13.547-13.567	Austria	27.05-27.30
Australia Dollar..	1.6460-1.6480	1.0930-1.0935	Belgium	80.10-80.90
Brazil Cruzeiro..	1,132.25-1,136.25	754.0-758.0	Denmark	13.94-14.06
Finland Markka..	8.4430-8.4750	5.6120-5.6140	France	11.83-11.93
Greek Drachma..	138.05-138.65	91.70-92.00	Germany	3.85-3.89
Hong Kong Dollar	12.60½-12.72½	8.37-8.44	Italy	2325-2370
Iran Rial	128.10*	86.95*	Japan	347-360
Kuwait Dinar (KD)	0.4365-0.4370	0.28995-0.29005	Netherlands	4.33-4.37
Luxembourg Fr..	78.90-79.00	52.55-52.57	Norway	10.88-10.98
Malaysia Dollar..	3.5250-3.5350	2.3400-2.3420	Portugal	182-195
New Zealand Dlr.	2.2645-2.2695	1.5036-1.5055	Spain	217-232
Saudi Arab. Riyal	5.2420-5.2490	3.4810-3.4830	Sweden	11.57-11.67
Singapore Dollar	3.2075-3.2175	2.1310-2.1350	Switzerland	3.12¾-3.15¾
Sth. African Rand	1.6820-1.6840	1.1135-1.1150	United States	1.49-1.51
U.A.E. Dirham....	5.5285-5.5355	3.6710-3.6750	Yugoslavia	180-186

* Selling rates.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Oct. 7	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling	9-9¼	9⅛-9¼	9¼-9⅜	9⅜-9½	9½-9⅝	9⅝-9¾
U.S. Dollar	9¼-9½	9⅜-9⅝	9¼-9½	9⅜-9⅝	9½-9¾	9¾-10
Can. Dollar	8¾-9⅛	8¾-9¼	8⅞-9⅛	9-9¼	9⅜-9⅝	9⅝-9⅞
D. Guilder	5¾-5⅞	5¾-6	5⅞-6	6-6⅛	6⅛-6¼	6⅜-6½
S. Franc	2¼-2½	2½-2⅝	3½-3⅝	3⅞-4	4⅛-4¼	4⅜-4½
Deutschm'rk	5⅛-5⅝	5½-5⅝	5⅝-5¾	5¾-5⅞	5⅞-6	6⅛-6¼
Fr'nch Franc	12½-12¾	12¾-13	13½-13¾	15⅜-15⅝	16¼-16½	16⅝-16⅞
Italian Lira	16-17	17½-19	18¼-19	18⅝-19⅛	18⅝-19⅛	18¾-19¼
Belg. Franc..						
Conv	7½-8	8-8½	9¼-9¾	9¾-10¼	10-10½	10¼-10¾
Fin.	7-7½	8⅛-8¾	8⅞-9⅛	9⅜-9⅝	9¾-10	10-10¼
Yen	6⅛-6⅝	6⅛-6⅝	6⅛-6⅜	6⅛-6⅜	6⅛-6⅜	6⅛-6⅜
D. Krone	13¼-13¾	14¾-15¼	12½-13	11⅝-12⅛	11¾-12¼	11⅜-11⅞
Asia $ (Sing.)	9⅛-9⅜	9⅛-9⅜	9⅜-9½	9⅜-9⅝	9½-9⅝	9⅝-9⅞

FT LONDON INTERBANK FIXING

11.00 a.m. OCTOBER 7

3 month U.S. dollars		6 month U.S. dollars	
bid 9 7/16	offer 9 9/16	bid 9 1/2	offer 9 5/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1983 High	1983 Low
Palm Malayan	$670x	+15	$550	$690	$365
SEEDS					
Copra (Philippines)	$580v	−45	$280	$660	$295
Soyabeans (U.S.)	$340u.6	−0.4	$223.5	$371.6	$233.5
OTHER COMMODITIES					
Cocoa Shipments §	£1,559	—	£1,006	£1,784	£1,127
Cocoa Futures Mar.	£1498.5	+6	£1,027.5	£1,728	£1,108
Coffee Futures Jan.	£1846.5	+80	£1,402	£1,940.5	£1,548.5
Cotton Index	87.55c	+0.85	70.65c	92.35c	70.35c
Des. Coconut	$950	—	$440	$960	$510
Gas Oil Fut. Nov.	$249	−1.75	$318	$277.5	$220
Jute LJA BWC grade	‡	—	£240	£240	£240
Rubber kilo	77p	−0.5	48.75p	82p	50p
Sago Pearl	£275v	—	£240	£277	£242
Sisal No. 3L	$640/655y	—	$590/610	$675	$620/630
Sugar (Raw)	£168v	+21	£87	£193.5	£95
Tapioca No. 1	£315v	—	£250	£315	£315
Tea (quality) kilo	180p	+4	135p	180p	137p
(low med.) kilo	144p	+2	75p	144p	113p
Wooltops, 64s Warp	401p kilo	+1	370p kilo	409p kilo	372p kilo

‡ Unquoted. (g) Madagascar. (u) Nov. (z) Jan. (x) Dec. (v) Oct-Nov. § Ghana cocoa.

LONDON OIL SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.10-28.30	−0.10
Iranian Light	28.00-28.15	+0.07
Arabian Heavy	26.25-26.50	−0.08
North Sea (Forties)	29.45-29.55	+0.25
North Sea (Brent)	29.50-29.55	—
African (Bonny L'ht)	29.75-30.00	+0.12
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	283-287	—
Gas oil	240-245	−1
Heavy fuel oil	169-171	+0.5

GAS OIL FUTURES

The market opened little changed and moved steadily higher in moderate volume, reflecting some increase in physical prices and further short-covering. In the afternoon, prices continued to the highs but eased back again towards the close, reports Premier Man.

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per tonne		
Oct	244.25	+2.00	247.5-42.50
Nov	249.00	+5.25	249.00-46.50
Dec	251.75	+2.50	252.75-49.25
Jan	252.00	+2.75	252.75-49.50
Feb	249.75	+5.00	249.00-48.00
Mar	245.25	+2.25	245.50-44.00
April	241.00	—	243.00-42.25
May	256.00	−5.50	—
June	257.75	−2.75	—

Turnover: 1,839 (2,184) lots of 100 tonnes.

GOLD MARKETS

Gold rose $4¼ an ounce from Thursday's close in the London bullion market yesterday to finish at $399¾-400¼. The metal opened at $395-396¼ and touched a low of $395-395½ before recovering to finish at its best level of the day. Gold's better performance was partly a technical movement after its recent sharp fall.

LONDON FUTURES

Month	Yest'rday's close	+ or −	Business Done
	$ per troy ounce		
Oct	398.00-01.0	+5.00	—
Dec	404.00-04.4	+4.40	404.50-08.4
Feb	410.20-11.2	+4.50	409.00-08.4
April	416.30-17.7	+4.35	415.80-14.0
June	422.50-24.4	+4.05	—
Aug	429.00-31.0	+3.55	—

Turnover: 388 (617) lots of 100 troy ounces.

REVIEW OF THE WEEK

Traumatic times in the metal markets

BY OUR COMMODITIES STAFF

METAL MARKETS had a traumatic time this week. Prices collapsed on Monday, as gold fell well below $400 an ounce. Copper and silver prices touched the lowest levels for nine months triggering off a general decline in other metals. However by the end of the week they had recovered most, if not all, the earlier losses as buying interest returned at the lower levels. Gold closed yesterday at $399.875 an ounce, only $7 down on the week.

Free market platinum was a good example. On Monday the price fell by $19.75 to $388.50 (£261.90) an ounce, briefly moving below gold and wiping out the premium established in May. It then rallied, in spite of a brief setback on Wednesday, to close yesterday at $407 (£270.05), barely unchanged on a week ago.

There was a similar pattern in silver, which was blamed by some traders as being a prime cause of the fall in gold and other metal markets. The London bullion spot quotation plunged by over 50p on Monday, rallied modestly on Tuesday, before falling by over 50p on Wednesday to 655.35p an ounce, the lowest level since December last year. It subsequently rallied strongly but still ended the week at 687.95p an ounce, 63.15p down on a week ago.

Silver continues to be depressed by the steady rise in stocks held in the New York (Comex) market warehouses to record levels.

Copper was also hit by yet another rise in stocks held in the London Metal Exchange warehouses to 386,825 tonnes—the highest level for nearly five years. In spite of a continuing strike in Peru threatening deliveries from there, higher grade cash copper slumped to a nine-month low of £954.75 before rallying yesterday to £986.5 a tonne, only 4 down on the week.

Aluminium, lead, nickel and tin prices also recouped earlier losses to end the week slightly up. Cash zinc gained £15 to £563 a tonne reflecting trade buying support at the lower level and a continuing shortage of special high grade quality supplies.

The fall in gold below $400 had only a temporary depressing effect on the "soft" (non-metal) markets.

The London daily sugar price rose by £12 to £168 a tonne, in spite of the failure of the talks aimed at securing a new International Sugar Agreement and forecasts of a better than expected EEC beet crop. The market was boosted by reports of Russian buying, a shortfall in the Philippines crop, and renewed speculative interest after the previous fall in values and the liquidation of the New York October futures position without the market being swamped with supplies.

Coffee prices surged to new life-of-contract highs, with the November position ending the week £80 up at £1,846.5 a tonne. The renewal of the International Coffee Agreement with a similar global quota and unchanged price range was in line with market expectations. The main influence remains a shortage of immediately available supplies, especially of Robusta coffee on which the London market is based.

Cocoa prices continued to move erratically, reflecting different views on the size of the forthcoming Ivory Coast crop. London brokers, Gill and Duffus delayed their normal market report because it was felt that further confusion would only be created by attempting to make predictions at this stage when the West African crops are certain to be much later than usual.

However, it appears Brazilian production is going to be at near record levels this season, and consumers are holding off buying until more is known about the Ivory Coast crop, where current estimates range between 350,000 to 450,000 tonnes.

BASE METALS

Amalgamated Metal Trading reported that in the morning higher-cash copper traded at £981. Three months £1005, 04.50, 04, 05, 03.50, 03, 02, 02.50, 03. Cathodes: Cash £956, 55. Kerb: Higher Grade: Three months £1004, 03.50, 04, 05. Afternoon: Higher Grade: Three months £1008, 07, 08, 08.50, 06, 05.50, 05, 05.50, 06, 06.50, 07, 07.50, 08, 08.50. Kerb: Standard: Three months £1006 ...

ALUMINIUM

Aluminium—Morning: Cash £1062.50. Three months £1091, 90.50, 90, 89, 88, 87, 88, 89, 89.50, 89, 88.50, 88, 88.50, 89. Kerb: Three months £1089, 90, 91, 92, 93. Afternoon: Three months £1091, 90, 89, 88, 89, 88.50, 89, 90, 90.50, 89, 90, 89. Kerb: Three months £1088, 87.50, 87, 88, 89, 90.

Sales: 4,499 (3,846) lots of 5 tonnes. ICO indicator prices (U.S. cents per pound) for October 6: Comp daily 1979 134.33 (133.49); 15-day average 129.50 (128.93).

GRAINS

Business done—Wheat: Nov 120.60-20.00, Jan 123.90-3.30, Mar 126.70-6.90, May 129.55-8.95, July 132.40-1.85, Sept untraded. Sales, 356 lots of 100 tonnes. Barley: Nov 117.75-6.25, Jan ...

INDICES

FINANCIAL TIMES

Oct. 6	Oct. 5	M'th ago	Y'ar ago
285.75	286.60	291.81	230.62

(Base: July 1 1952=100)

REUTERS

AMERICAN MARKETS

NEW YORK, October 7

Precious metals traded higher, supported by strength to foreign currencies which encouraged speculative buying on breaks. Copper finished slightly higher after failing to sustain an early rally on concerns over mine closures in the western U.S. and strength to sterling. Sugar recovered from an early session sell-off brought about by a large sale by India due to speculative bargain hunting. Coffee was unable to penetrate key resistance and came under technical and producer selling pressure. Cocoa could not hold early gains made on producer price fixing due to speculative profit-taking. Cotton attracted light speculative buying interest on continued concern about the weather. Heating oil continued to consolidate in quiet trade after recent sharp losses due to steadying spot markets. Grains and soyabeans attracted selling on the outlook for favourable harvest progress and slow nearby export demand interest, reports Heinold Commodities Ltd.

NEW YORK

COCOA 10 tonnes, $/tonne

	Latest	High	Low	Prev
Dec	2033	2110	2026	2073
March	2058	2124	2056	2088
May	2070	2124	2070	2100
July	2095	2140	2095	2101
Sept	2135	—	—	2114

SUGAR WORLD "11" 112,000 lb; cents/lb

	Close	High	Low	Prev
Jan	11.50	11.50	11.26	11.35
March	11.88	11.89	11.67	11.78
May	12.24	12.26	12.04	12.15
July	2.53	12.54	12.35	12.37
Sept	12.73	12.70	12.56	12.59
Oct	12.88	12.90	12.76	12.77
Jan	13.20	13.10	13.10	12.93
March	13.57	—	—	13.07

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to *3.30 pm on Thursday and settled through the Stock Exchange Talisman system:* they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the four previous days is given with the relevant date.

‡ Bargains at special prices. ⊕ Bargains done the previous day. △ Bargains done with non-member or executed in overseas markets.

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UK PUBLIC BOARDS

COMMONWEALTH GOVT.

FOREIGN STOCKS
(coupons payable London)

CORPORATIONS—FOREIGN

BANKS, DISCOUNT

BREWERIES

COMMERCIAL, INDUSTRIAL

A—B

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

FINANCIAL TRUSTS

INSURANCE

INVESTMENT TRUSTS

UNIT TRUSTS

MINES—MISCELLANEOUS

MINES—SOUTH AFRICAN

OIL

PROPERTY

Alliance Prop Hldgs 9½pcDb 1992-97 £84½ (4/10)
Allied London Props 10pcPf (£1) 109⊕. 8½pcLn 1999 £126
Argyle Secs 10½pcDb 1992-97 £70 (3/10). 12pcDb 1995-98 £98 ½ ¾
Bampton Hldgs 8¼pc1stDb 1988-93 £76⊕. 8¼pcLn 2002-07 £64⊕
British Land Co 15pc1stDb 1987 £110. 12pcLn 2002 £280 (5/10)
Brixton Estate 6pc1stDb 1985-88 £82¼ (5/10)
Cap and Counties 4.2pcPf (£1) 44 (30/9).

Eastbourne 5.6pcPf (fmly 8pc) 1986-88 £84 (3/10). 12½pcDb 2004 (fp) £103½ 4 (5/10)
Essex 3.5pc (fmly 5pc) £37½ (4/10). 3.5pcPf (fmly 5pc) £38 (4/10). 10pcDb 1992-94 £90 (4/10)
Folkestone and District 2.8pcPf (fmly 4pc) £28 (3/10)
Hartlepools 3.5pc (fmly 5pc) £36½ (4/10)
Lee Valley 3.5pc (fmly 5pc) £38½ (4/10). 4.2pcPf (fmly 6pc) 1982 84 £95 (30/9)
Mid Kent 3.5pc (fmly 5pc) £39. 3.85pc Pf (fmly 5½pc) 1981-83 £87
Mid-Southern 3.5pc (fmly 5pc) £38 (5/10). 7pcDb 1986-88 £81 (3/10)

PLANTATIONS

RAILWAYS

SHIPPING

UTILITIES

WATERWORKS

UNLISTED SECURITIES MARKET

New Court Natural Resources WarrtstoSub 7
PCT Group New (10p) 158 9
Polytechnic Marine (5p) 238⊕
Rivlin (I D S) Hldgs (5p) 61 4 5 7 8
Technology for Business (10p) 80 (3/10)
Thorpac Group (5p) 38 40 (5/10)
United Friendly Insurance B (10p) 185 (3/10)

RULE 163 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings ***are not recorded in the Official*** **List.**

ACI Intl 100⊕
AOG Minerals 12 (4/10)
Aberfoyle 480 (5/10)
Abrolhos Oil Inv 8
Acmex Hldgs 42⊕ (4/10)
Acorn Secs 54⊕ 5
Agnico-Eagle Mines 840 (5/10)
Allflex Hldgs 213⊕ (30/9)
Alliance Oil Devel 59½⊕ (5/10)
Amadil 150 (4/10)
American Cyanamid £38⅞
American Home Prods £34
American Standard £21¼⊕
Ampol Ex 225⊕ 8
Ampol 117 (5/10)
Anglo United Devel 70 5 (4/10)
Apex Oil (A$0.25) 12½ (4/10)
Apple Computer Co US$22¼
Ashton Mining 97 (5/10)
Asia Oil Mins 74⊕ 7
Atlantic Richfield £31¼ ½ (4/10)

Shell Canada A £15⅝ (3/10)
Siemens AG £91.50 (4/10)
Sleigh 70⊕ (4/10)
Sons of Gwalia 85 6
South East Pet 8½ (4/10)

RULE 163 (2)

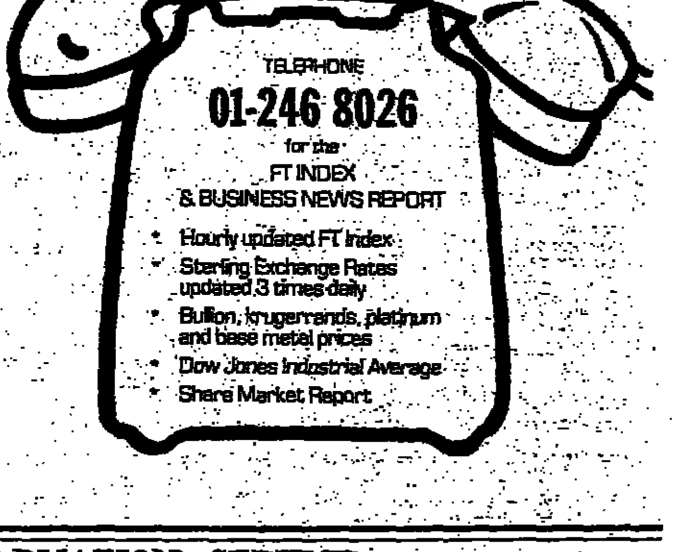
Applications granted for specific bargains in securities not listed on any Stock Exchange.

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration.

Bryson Oil Gas (20p) 208 (5/10)
Conroy Pet Nat Res 8 190 (5/10)
Voyager Pets (UK) (10p) 50 (5/10)

(By permission of the Stock Exchange Council)



FT UNIT TRUST INFORMATION SERVICE

Authorised Units—continued

Offshore and Overseas—continued

Jap Yen	Y6527.80	+1.010	5.74
Singapore $	S$64.415	+0.015	8.09
£ Sterling	£14.521	+0.002	8.52
Swiss Franc	SwFr46.097	+0.003	2.70
U.S. $	$29.750	+0.010	8.81

Daily dealings.
For other Rothschild Offshore Funds see Offshore and Overseas section.

Schroder Mngt Services (Jersey) Ltd
PO Box 195, St Helier, Jersey. 0534 27561

Target Trust Mngrs (Jersey) Ltd
PO Box 194, St Helier, Jersey. 0534 27441

Mgd Cur Fd	96.5	101.7	—

Tyndall-Guardian Management Ltd
PO Box 1256, Hamilton, Bermuda.

T-G Am	$26.13	—
T-G Money	$21.58	—
T-G E'bond	$15.47	—
T-G Com	$20.60	—

Insurances—continued

France calls talks on Dunlop

By Paul Betts in Paris

THE FUTURE of Dunlop's French subsidiary is to be discussed at a meeting at the French Industry Ministry later this month.

This was confirmed yesterday by Ministry officials. The authorities make no secret of their concern and anger over the decision of the British tyre company's French subsidiary to file for bankruptcy.

Dunlop-France decided to file for bankruptcy this week after a rescue plan involving French Government support failed to resolve its financial problems.

These problems were further highlighted yesterday when Dunlop-France reported losses of FFr 130m ($16.4m) for the first half of this year, compared with a net loss of FFr 73.8m in the same period of 1982. It had a loss of FFr 200m last year

The company also made special provisions totalling FFr 50m during the first half

The Industry Ministry hopes to use the meeting with all parties concerned wtih the Dunlop-France bankrupcy to seek a solution to keep it alive.

Roussel Uclaf boosts earnings

By Our Paris Staff

ROUSSEL UCLAF, the Franco-German pharmaceutical group 54.5 per cent owned by Hoechst, boosted net earnings by 61 per cent to FFr 147.7m ($18.6m) in the first half of this year compared with earnings of FFr 91.3m in the first six months of last year.

The group's sales also rose during the first half to FFr 4.6bn or by more than 20 per cent over the first half of 1982.

The pharmaceutical company, in which the French state holds a 40 per cent stake reported profits of FFr 141.5m last year compared with profits of FFr 136.3m in 1981.

Eastern Air Lines sets aside bankruptcy threats

BY TERRY BYLAND IN NEW YORK

EASTERN AIR LINES, the fourth largest domestic carrier in the U.S., said yesterday that it had set aside all threats of bankruptcy following decisions by three of its unions to agree to an analysis for the company's financial position.

Eastern which had threatened to file for bankruptcy if its employees refused to accept pay cuts, also yesterday disclosed a loss of $34.4m for the third quarter of this year, compared with a loss of $32.8m a year ago. This brings Eastern's losses for the current year to $128.9m, which already exceeds Wall Street forecasts of a total loss for the year of around $125m.

It was announced in Miami, Eastern's headquarters, that three employee unions, representing machinists, flight attendants and pilots, had agreed to the analysis. The unions have said they will "go along with" the report insofar as it specifies what help the company needs from its employees.

Mr Frank Borman, Eastern's chairman, disclosed 10 days ago that the airline would have to follow Continental Airlines into the bankruptcy courts if its 37,500 employees refused to accept a 15 per cent wage cut. But the company said yesterday that "all threats of bankruptcy have been set aside" at present.

The wage cuts have already been accepted by Eastern's 13,000 non-unionised workers, but Mr Borman has warned that the company's bankers will cut off a $275m credit line and force a default unless the unions accept the wage cuts by next week.

For fiscal 1982, Eastern reported a deficit of $75m and continues to suffer the effects of severe fare cutting in the domestic airline industry.

With wage costs representing around 78 per cent of variable expenses, management has taken the view that wage cuts are essential to the airline's survival.

Euroc shows strong advance

BY DAVID BROWN IN STOCKHOLM

EUROC, the Swedish building materials and industrial group, reports a 54 per cent increase in profits before extraordinary items but after financial costs to SKr 65m ($8.4m) for the eight months ended in August.

The group says the positive trend will continue in the last four months, and forecasts a "strong improvement" over the SKr 103m pre-tax profit achieved last year on sales of SKr 4.2bn, because of a combination of better operating results and extraordinary items.

Sales in the eight months grew by 9 per cent to SKr 2.8bn, with 53 per cent generated abroad. Net financial costs declined from the SKr 125m to SKr 111m. For the year they are expected to be lower than the SKr 193m registered for 1982.

Euroc posted a large extraordinary item, of SKr 153m, arising from the sale of fixed assets in the U.S. and Sweden, which brought the pre-tax profit figure to SKr 201m.

The group has cut personnel in its Dynapac construction equipment division. With several large orders from the Middle East the group's single largest unit has been able to improve results. Its market in the U.S. has improved somewhat but the South American operations remain unsatisfactory.

Investments during the eight months fell slightly, to SKr 72m from SKr 80m. Cash and liquid assets grew from SKr 492m to SKr 543m.

Oce raises third-quarter profits

THIRD QUARTER net profits ahead by 17 per cent are reported by Oce van der Grinten, the Dutch copier group which managed to claw its way out of the red last year, writes Our Financial Staff.

Net earnings of Fl11.5m for the quarter compare with Fl9.8m a year earlier. Turnover was up 2 per cent at Fl397.9m and operating profits were up 5 per cent at Fl32.6m.

For the first nine months OCE's net earnings rose by 15.7 per cent to Fl34.6m despite a decline of 1.5 per cent to Fl2.1bn in sales.

The company said that the commercial office market was progressing favourably

In 1982, net profits bounced back to Fl43.3m, compared with 1981 losses of Fl7.9m.

Alitalia to run Rome airport

By James Buxton in Rome

A DESPERATELY needed shake-up may be on the way for Rome's Fiumicino airport, widely regarded as one of the worst in the developed world. Alitalia, the Italian national airline, is to take over the airport's day-to-day management.

The state-controlled airline, as Fiumicino's biggest user, suffers most damage to its image and its finances from the chronic inefficiencies of Fiumicino. It is now taking over 44 per cent of Aeroporti di Roma, the company which runs the airport, from Italstat, another state-owned company.

Fiumicino, officially called Leonardo da Vinci airport, a name now little used out of respect for the inventor of flying, was recently the subject of a damning government report. It found that services at the airport, Europe's fourth biggest, had actually declined since Aeroporti di Roma was set up in 1973.

The report portrayed an airport plagued by absenteeism, theft and self-serving management. Up to 29 per cent of baggage handlers and nearly a quarter of passenger-handling staff simply do not turn up for work, and small but damaging labour disputes are legion. Some 18 airport employees have been caught stealing this year.

Though the airport is relatively unautomated the management has consistently increased the number of white collar staff and blue collar staff has declined. For every manager or executive there are only six workers,

Many of the airport's problems arise from lack of investment. There are only three passenger loading bridges, against 69 at Heathrow. Last year the international terminal handled 6.3m passengers, 800,000 more than it was designed for.

Petition to wind up Carrian offshoot

BY ROBERT COTTRELL IN HONG KONG

HONG KONG authorities have made the first move towards liquidation of a Carrian group company by petitioning for the winding-up of China Underwriters Life and General Insurance, part of the stricken property group.

The petition was presented to the High Court yesterday by Mr Noel M. Gleeson, Registrar General. Mr Gleeson was then, in his capacity as official receiver, appointed by the court as provisional liquidator of China Underwriters. The court will hear the winding-up petition on November 4.

The petition is the first move towards liquidation of a Carrian group company. The group as a whole is unable to pay debts estimated to exceed HK$10bn (US$1.17bn). Bankers believe that its principal companies, Carrian Investments and Carrian Holdings, may also be liquidated soon.

Mr Gleeson said his petition was "prompted by the need to protect the interest of the policyholders and claimants on the company and in view of the circumstances surrounding the so-called Carrian group of companies, of which the company is a member."

He said that, as provisional liquidator, he would be giving notice of termination to general insurance policyholders with China Underwriters, and repaying the premiums refundable under their policies. Part of the job would be to seek to dispose of the long-term business of China Underwriters "as a going concern to a responsible insurer."

China Underwriters showed shareholders' funds of HK$130.7m in its last published balance sheet for year-end 1981. In common with other companies in the Carrian group, it has not yet published accounts for 1982.

Carrian Investments, the Carrian group's main quoted company, had hoped to sell its 55 per cent stake in China Underwriters to Malaysian interests for HK$120m. But the deal, first announced in July, failed to receive approval from Hong Kong regulatory authorities.

The winding-up petition is thought to have been prompted by the failure of China Underwriters to meet financial criteria specified for insurance companies under Hong Kong law. Since June this year, Hong Kong authorities have been monitoring its condition, and requiring it to deposit a proportion of its assets with an outside trustee to provide against liabilities.

China Underwriters is thought to have suffered a severe downturn in new business since the Carrian group's troubles first became public in October last year.

Bail for chairman increased

By Our Hong Kong Correspondent

THE Hong Kong High Court yesterday upheld the granting of bail to Mr George Tan chairman, and Mr Bentley Ho director of the Carrian property group. Bail was originally granted when the two men first appeared before magistrates on Tuesday charged with offences under the territory's theft ordinance.

But Crown prosecutors invoked a clause in Hong Kong's criminal procedure ordinance to require the bail to be reviewed by the High Court and the defedants to remain in custody pending the review.

Mr Justice De Basto yesterday upheld bail for Mr Tan, but on terms "substantially increased" from the original HK$2m fixed by magistrates. Mr Ho's bail remains unchanged at HK$1m.

It was not known yesterday how readily Mr Tan might be able to raise the apparently large sum specified by the court.

Mr Tan is charged under a section of the theft ordinance relating to false or misleading statements made by a company director. Mr Ho faces the same charge, and an additional one of false accounting. Other charges are expected to follow.

Kobe Steel expects interim loss

KOBE STEEL of Japan is expected to report a recurrent loss of between Y9.6bn and Y9.7bn ($41.3m-$41.8m) in the first six months ended September 30, against a Y9.24bn profit in the corresponding six months of 1982 and a Y2.42bn profit in the preceding six months, Reuter reports from Tokyo.

The company attributes the poor performance to lower selling prices, reduced exports and losses on sales of plant. There was, however, a slight sales increase.

Kobe will maintain its Y2.50 interim dividend.

First-half sales rose to Y645bn from Y577.22bn a year earlier, and compared with Y604.93bn in the preceding period.

Sales in the full current year, ending March 31, are expected to be Y1,300bn compared with Y1,182bn a year earlier. A recovery in steel prices and a higher profit margin in the machinery division is expected to enable the company to offset the first-half loss in the full year.

● Sumitomo Metal Industries plans to cut capital spending in the year ending March 31 to Y144bn ($620m) from the earlier planned Y155bn. Spending in the previous year totalled Y174.3bn.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
1-3 St Paul's Churchyard EC4P 4DX 01-236 1899

[illegible]

Britannia Gp. of Unit Trusts Ltd. (a)(c)(g)
Salisbury House, 31, Finsbury Circus, London EC2
01-638 0478/0479 or 01-588 2777
Britannia Viewpoint 01-673 0048

UK Specialist Funds

Assets	152.9	164.9	+0.7	3.44
Recovery	56.9	61.4	−0.2	3.11
Smaller Cos	87.6	94.5	+0.2	1.77
Spec. Mkt. Sits.	72.2	77.8	−0.1	1.52
UK Blue Chip	50.4	54.3	−0.3	3.19

[illegible]

Save & Prosper—continued

Overseas Funds & Sector Funds

Europe (z)	151.8	163.4	+1.5	0.94
Japan (z)	202.8	218.2	+0.4	0.21
Japan Smllr. Co's (z)	51.2	55.3	....	—
S.E. Asia (z)	67.4	72.5	+0.2	1.41
U.S. (z)	230.9	248.5	+0.9	0.45
Commodity	162.9	175.3	+1.0	1.96
Energy	144.7	155.7	−0.2	2.10
Exploration Fund (z)	36.6	39.3	+0.1	0.28

[illegible]

Tyndall Managers Ltd.(a)(b)(c)
18, Canynge Road, Bristol. 0272 732241

Australian Securities	72.4	77.9	+0.4	1.42
(Accum. Units)	72.9	78.4	+0.4	1.42
Capital	210.2	225.0	−0.2	3.41
(Accum. Units)	347.8	372.2	−0.6	3.41
Exempt	173.6	186.8	+0.8	7.50
(Accum. Units)	343.4	369.2	+1.2	7.50
Far Eastern	117.5	125.5	+1.4	1.06
(Accum. Units)	122.4	130.8	+1.5	1.06

[illegible]

INSURANCES

[illegible]

MARKET REPORT

Leading electrical weakness halts equity rise but London Brick speculation grows

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Sept 19	Sept 29	Sept 30	Oct 10
Oct 3	Oct 13	Oct 14	Oct 24
Oct 17	Oct 27	Oct 28	Nov 7

*" New-time " dealings may take place from 9.30 am two business days earlier.

After opening firmly in sympathy with Wall Street's record-breaking performance, leading UK shares floundered yesterday and finished the day on an easier note. The chief cause of the downturn was weakness in the Electrical majors on worries about fiercer competition in the telecommunications field following a "Financial Times" report that Northern Telecom of Canada is planning a major investment programme in the UK. Plessey and Standard Telephone and Cables were particularly vulnerable with falls of 14, while GEC remained friendless and dropped to a new low for the year.

A fall of around 4 points in the FT 30-share index was averted by renewed strength in **London Brick** which attracted another hefty business in the wake of the FT report that the group is preparing for a possible bid battle. This intensified recent speculation in the shares which touched 105p before closing 8 up at 102: market sources suggested late yesterday that a dawn-raid or a bid worth 120p per share from Hanson Trust might be implemented on Monday.

Up 2.3 at 10 am, the FT 30-share index drifted lower to end the day 1.6 off but still 7.2 higher on the week at 709.8.

Firmer gilts were still bolstered by the week's move towards cheaper money in the form of Monday's ½-point reductions in clearing bank base rates. Sentiment was also strengthened by a belief that a good set of UK money figures next week could enhance the possibility of a further reduction, and by hopes that the easing of short-term U.S. interest rates would continue.

Closing improvements in the longs ranged to ¾, while the shorts again showed no decided trend. The Government Broker activated the £30-paid short tap, Treasury 9¾ per cent Convertible 1988, at 30¼.

A traumatic week for South African Gold shares ended with prices rallying as the gold bullion price made an unsuccessful attempt to return above $400 an ounce. The metal, which dropped to $386½ on Monday, regained $4⅞ on the day at $399⅞, while closing rises in the heavyweight gold issues stretched to £1. The FT Gold Mines index closed 3.2 up but still sustained a fall of 11.6 on the week to take the decline over the past month to 121.3 at 569.7; this compares with the year's high of 734.7 attained in February and the low of 531.5 recorded in March.

A nervous and retreating market throughout the week reflecting the colony's political and financial problems, Hong Kong stocks traded in London perked up yesterday in sympathy with the 33 point rally in the Hang Seng index.

Banking issues traded without distinction or trend. **Barclays** edged up 3 to 455p, but **Lloyds** remained an uneasy market and closed 4 down at 463p. Elsewhere, **FNFC** drew fresh speculative support, albeit not on Wednesday's scale, and gained 1½ to 62½, while **Grindlays** moved up 5 to 160p.

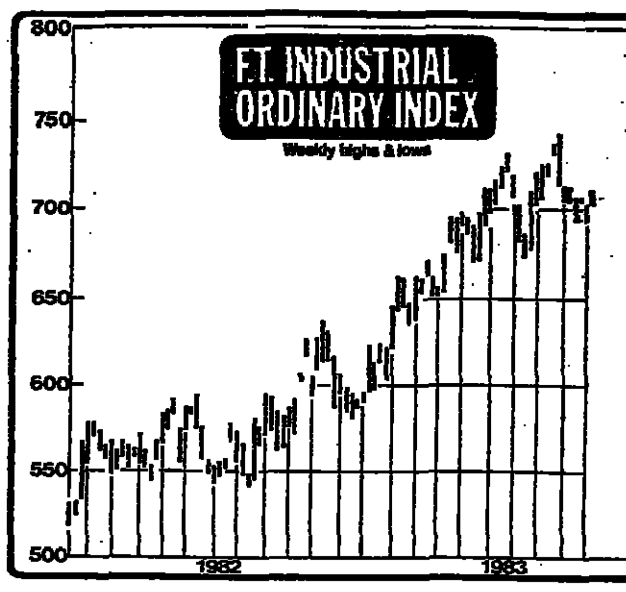
Hambro Life touched a 1983 high of 440p, still reflecting the increased interim payment, before reverting to the overnight 434p. Among Insurance Brokers, **Stewart Wrightson** advanced 8 more to 260p on demand partly inspired by a stockbroker's recommendation.

Recent newcomer **Atlantic Computers** continued to attract buyers. The shares, offered for sale by tender at 170p and making a striking price of 230p, were expected to open at a discount when dealings began last Wednesday, but realised a 15p premium further support yesterday lifted the price another 23 to 280p.

Attention in Buildings was focused almost entirely on **London Brick** which met another heavy two-way business on takeover hopes and touched a 1983 peak of 105p before closing 8 up on the day and 15 up on the week at 102p. Secondary issues displayed a dull feature in **Turriff** which dropped to 210p before closing 22 down on balance at 215p following the interim profits setback. On the other hand, fresh consideration of the interim statement prompted further support for **Watts Blake Bearne** which rose 8 to 176p. Occasional demand in front of next Thursday's half-timer left **John Mowlem** 4 dearer at 186p, but recently-firm **Countryside** encountered profit-taking and eased 4 to 208p. News that the company had been awarded contracts worth £36.5m made no apparent impression on **French Kier** which closed a fraction off at 101p, but an investment recommendation prompted a gain of a couple of pence to 119p in **H.A.T. Group**. Among smaller-priced issues, **Brown and Jackson** hardened 1½ to a high for the year of 25p.

After opening 6 higher on Wall Street advices, **ICI** drifted back to 552p before late U.S. support left the close a net 10 up at 560p. Other Chemical issues displayed small irregular movements. **Leyland Paint** firmed a penny to 15p helped by call option business.

As widely expected, **Debenhams** announced substantially increased first-half profits but the existence, and subsequent liquidation, of sizeable bull positions left the close 6 off at 138p. Sporadic selling was noted for



Woolworth which fell 9 to 267p, but **Burton** bucked the trend on talk of a broker's recommendation and added 3 at 345p. Elsewhere in Stores, **House of Lerose** continued to react to the disappointing interim figures and fell 7 to record a loss on the week of 16 at 137p. **Mellins** were sold down to 98p, a fall of 8, although revived support was evident for **I.D. and S. Rivlin**, 2 up at 69p, and for **W.W.**, 4 better at 111p.

Shoes again featured **Strong and Fisher** which remained buoyant ahead of the preliminary results and advanced 5 for a gain on the week of 12 at a 1983 peak of 72p.

Electrical leaders hit

Northern Telecom's planned assault on the recently-liberalised UK telecommunications market aroused fears of fierce competition, which put leading Electricals under considerable selling pressure. **GEC** dropped to a low for the year of 182p prior to settling a net 7 down at 183p, and **Racal** fell to its 1983 lowest of 190p before rallying to close 3 down on balance at 194p. **Plessey** were also hit hard at 208p, down 14, along with **Standard Telephone and Cables**, 12 off at 274p, after 270p. On a brighter note, **Microlease** rose 15 to 190p ahead of Monday's interim results, while **Amstrad** improved 10 further to 490p, still reflecting the excellent figures.

Still responding to the first-half return to profitability, **Spear and Jackson** moved up 4 more to 120p. Other Engineering features included **Belgrave (Blackheath)**, up 11 at 81p, after 88p, following demand largely from one broking source, and **A. Cohen**, which extended this week's upturn to close 15 higher at 350p. Demand encouraged by recent Press mention lifted **Braham Millar** 2 further to 29p among smaller-priced stocks, which also featured **W. Cook (Sheffield)**, 3½ dearer at 33p, and **Parkfield Foundries**, 2 better at 23. Unsettled by the recent profits warning, **Molins** came back 3 to a low for the year of 105p.

Business in recently firm Food Retailers slackened and most quotations drifted back a few pence. **Argyll**, however, hardened 2 to 138p; the merger with Amalgamated Distilled Products is expected to become effective on November 11. Elsewhere, **Cullen's Stores** issues, sharply higher on Thursday on the announcement that Lemmons had sold its 5.5 per cent stake in the company, came back sharply; the Ordinary, after opening at 270p, encountered persistent profit-taking and gave up 45 to 223p, while the more widely-traded A shares, marked up to 225p at the outset, finished 20 down on balance at 195p.

Bowater react

Miscellaneous Industrial leaders continued to trade irregularly. **Bowater** lost recent firmness at 203p, but **BOC** moved up 4 to 240p ahead of next week's analysts' visit to the U.S. **Reed International** picked up 6 at 316p, as did **Prestige** at 188p and **Courtney Pope** at 93p, the last-named on the increased dividend and profits. Comment in the Financial Times highlighting the group's successful efforts to improve productivity drew buyers to **Pilkington**, up 5 at 235p, but **Cape Industries** continued to disappoint since Tuesday's good mid-term results and fell to 114p before closing a net 5 down at 120p.

Johnson Matthey lost 8 at 232p, **Sunlight Services** gave up 10 at 215p and recently-firm **Diamond Stylus** slipped back 4 to 26p on profit-taking. Speculative interest raised **Hollis Bros** 5 to 35p and **Highgate Optical** 8 to 140p, but **UKO International** came back 5 to 76p on "take profits" advice. Still unsettled by Thursday's profits warning, **Johnston Group** fell 25 more to 250p, but an investment recommendation brought in good support of **Hawley**, up 8 at 160p. Dealings in **Chemical Methods** were suspended at 60p pending an announcement expected next week with the interim results. Hong Kong stocks recovered with **Swire Pacific "A"** 9 up at 99p and **China Light** 6 higher at 86p.

The Leisure sector displayed a dull feature in **Campari**, which slumped to 35p before closing a net 11 down at 41p following the reduced interim profits and dividend. Recently subdued travel issues made a steadier showing despite further escalations in the package holiday price war; **Intasun** firmed 3 to 142p, while **Saga**, with the aid of Press comment, hardened a penny to 90p.

BL rallied 5 to 65p following news that the company has taken the lead in UK car sales for the first time since early 1979. Major BL dealers **Lex Service** again responded to quality support and, after a brisk trade, closed 8 better at 331p. The recovery in annual profits continued to lift **H. Young** which rose 2 for a gain on the week of 12 at 62p.

Eucalyptus Pulp Mills revealed a substantial mid-term loss and, despite the company's reassuring remarks regarding second half trading, the shares fell 40 to 195p.

Leading Properties continued to drift lower in the absence of investment support. **Land Securities** eased 4 to 304p and **MEPC** 2 to 213p. Secondary issues again contrasted with several of the more speculative issues making fresh progress. **Alfred Walker** put on 5 for a two-day gain of 12 to a 1983 peak of 60p, while **Marler Estates** firmed 4 to 94p. **Trust Securities** attracted a relatively lively business and hardened 2 to 42p, while **Tops Estates**, traded in the Unlisted Securities Market, moved up 5 to 60p. **North British Properties** edged up 2 to 155p awaiting news of the Sun Life bid approach. Bid candidate **Cardiff Property** held at 190p but retained a gain on the week of 48.

Among Shippings, **Common Brothers** advanced 10 to 100p following the return to profits at the year-end. **Lyle**, a nervous market earlier in the week, hardened the turn to 143p following the interim statement.

Movements of note among Textiles were scarce, although **F. Miller** rose 3 to 50p following the interim results. **Ellenroad Mill** boosted recently by persistent talk of possible land developments, held at 38p, up 16 on the week.

Tobaccos turned quieter. **Imperial**, buoyant of late following a broker's circular and sizeable Traded option activity, eased a penny but retained a gain on the week of 9 at 128p.

Sporadic profit-taking was the order of the day among Financials. Stockjobbers **Akroyd and Smithers**, firm recently reflecting hopes of a change in Stock Exchange regulations to allow outside interests to obtain stakes in member firms, eased 4 to 413p, although **Smith Brothers** held at 53p. **Exco International**, the subject of favourable comment earlier in the week, gave up 13 to 585p, while **Mercantile House** shed 17 to 357p with sentiment in the latter unsettled by the announcement that the chairman has disposed of 280,000 shares.

Oils cautious

The mood in the Oil sector remained cautious in the wake of the mid-week shake-out; a tentative mark-up at the outset on Wall Street advices failed to hold and quotations drifted back to close virtually unchanged. **BP**, however, edged up a couple of pence to 430p and the new shares recovered the same amount to close at the partly-paid minimum tender price of 200p after having touched 192p on Wednesday. **Ultramar** rallied 5 to 630p. Among the speculative exploration stocks, **Atlantic Resources** finished 5 up on balance at 535p, after 540p. **Eglinton** also gained 5 to 295p. On the other hand, **Sun (UK) Royalty** continued to react on profit-taking and, after last week's gain of 85, finished this week 60 down on balance at 310p.

Golds move ahead

South African Golds were quiet in the early trade, and weaker, where changed, before a late rally in the bullion price pushed prices sharply ahead. Gold moved briefly above the $400-level for the first time this week, but dipped to close at $399.875, a gain of 4.5 on the day but still $7 lower on the week.

Libanon shone among the heavyweights with a rise of 1¼ to £22¼, while gains of 1½ were common to **Vaal Reefs** at £74½, **President Steyn** at £32½ and **St Helena** at £24½.

Buffels gained ⅞ to £35⅞, **Winkelhaak** closed a similar amount to the good at £25, while advances of ¾ were common to **Doornfontein** at £14¾ and **President Brand** at £29½. **Driefontein** put on ½ to £21½, as did **Western Deep Levels**, at £33. At these levels, the leaders have recouped most of the losses earlier in the week.

The Gold Mines index edged forward another 3.2 to 569.7, still 11.6 down on the week.

The gold-based South African Financials failed to respond to the market's upward impetus, and **Gold Fields of South Africa** lost a point to £75½, with **"Johnnies"** down a like amount to £83. **Anglo American Gold** lost ½ to £75½.

De Beers shed 7 to 543p in otherwise quiet Diamonds, but Platinums responded to the gains in the free market metal price to move ahead steadily. **Rustenburg** were finally 35 better at 670p, and **Impala** gained 10 to 790p.

London Financials had a quiet day, with no clear trend discernible. **Consolidated Gold Fields** moved up 3 to 540p and **Charter** put on 2 to 237p, but **Rio Tinto-Zinc** eased 3 to 575p.

Australians held steady in line with overnight domestic markets and the firm tone on Wall Street. Among the gold stocks, **Gold Mines of Kalgoorlie** fell 10 to 600p and **Poseidon** 5 to 292p, but **Whim Creek** gained 10 to 166p.

FINANCIAL TIMES STOCK INDICES

	Oct. 7	Oct. 6	Oct. 5	Oct. 4	Oct. 3	Sept. 30	year ago
Government Secs.	82.17	82.07	82.03	81.71	81.81	81.88	80.95
Fixed Interest	84.83	84.84	84.69	84.20	84.35	84.29	81.61
Industrial Ord.	709.8	711.4	707.8	708.3	703.7	702.6	598.9
Gold Mines	569.7	566.5	544.8	556.8	541.6	581.3	401.1
Ord. Div. Yield	4.73	4.72	4.74	4.73	4.78	4.78	4.80
Earnings, Yld.% (full)	9.41	9.39	9.43	9.40	9.46	9.48	10.85
P/E Ratio (net) (*)	13.51	13.54	13.38	13.52	13.38	13.36	11.27
Total bargains	19,669	20,432	20,043	21,065	18,883	21,300	24,290
Equity turnover £m.	—	196.47	211.59	197.30	177.27	240.81	201.17
Equity bargains	—	14,973	15,844	15,754	16,841	19,844	20,969
Shares traded (ml)	—	180.1	146.3	146.0	113.7	183.0	155.5

10 am 713.7. 11 am 710.8. Noon 711.4. 1 pm 710.9. 2 pm 711.1. 3 pm 710.8.
Basis 100 Govt Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold mines 12/9/55. SE Activity 1974.
Latest Index 01-246 8026.
Nil = 12.51

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.60 (15/6)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	84.84 (6/10)	79.05 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	740.4 (22/6)	598.4 (12/1)	740.4 (22/6/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2)	531.5 (29/3)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Oct. 6	Oct. 5
—Daily Gilt Edged Bargains	143.1	156.9
Equities Bargains	97.0	102.7
Value	397.1	487.7
5-day Avrge Gilt Edged Bargains	146.3	143.6
Equities Bargains	108.6	109.1
Value	415.9	407.6

LEADERS AND LAGGARDS

Percentage changes since December 31, 1982, based on Thursday, October 6, 1983

Newspapers, Publishing	+52.29	All-Share Index	+15.6
Other Industrial Materials	+48.41	Insurance Brokers	+15.7
Shipping and Transport	+44.62	500-Share Index	+14.1
Motors	+44.32	Health and H'sehold Products	+13.1
Oils	+40.08	Property	+11.6
Chemicals	+39.87	Metals and Metal Forming	+10.8
Packaging and Paper	+36.10	Industrial Group	+10.6
Other Groups	+31.85	Consumer Group	+9.0
Office Equipment	+29.52	Discount Houses	+8.9
Other Consumer	+29.30	Building Materials	+8.3
Insurance (Composite)	+27.12	Food Manufacturing	+6.2
Insurance (Life)	+26.61	Stores	+5.5
Leisure	+25.21	Capital Goods	+5.0
Merchant Banks	+24.60	Gold Mines Index	+1.80
Overseas Traders	+23.83	Engineering Contractors	+0.3
Investment Trusts	+23.52	Mechanical Engineering	−0.05
Financial Group	+21.43	Brewers and Distillers	−1.3
Banks	+20.96	Tobaccos	−1.74
Textiles	+20.77	Electricals	−2.55
Mining Finance	+19.82	Contracting, Construction	−4.07
Food Retailing	+16.84		

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Nov 7	Nov 18	Feb 2	Feb 13
Oct 10	Oct 21	Jan 5	Jan 1
Oct 24	Nov 4	Jan 19	Jan 30

For rate indications see end of Share Information Service

Money was given for the call in London Bricks, Scottish and Newcastle, West Bromwich Spring, Strong and Fisher, Premier Oil, Jefferson Smurfit, Harold Ingram, London and Liverpool, Sterling Guarantee, First National Finance, GRA, LCP, Dunlop, Phicom and Bridgend Processes. A put was done in Bunzl, while doubles were taken out in London Brick and W. E. Norton.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS	Fri Oct 7 1983	Thurs Oct 6	Wed Oct 5	Tues Oct 4	Mon Oct 3	Year ago (approx)	Highs and Lows Index
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

PRICE INDICES	Fri Oct 7	Day's change %	Thurs Oct 6	xd adj. today	xd adj. 1983 to date
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AVERAGE GROSS REDEMPTION YIELDS	Fri Oct 7	Thurs Oct 6	Year ago (approx)	1983 Highs	1983 Lows
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.
NAME CHANGE: Linfood Holdings is now Dee Corporation; last week's reference to Fitch Lovell was in error.

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (80)

[illegible]
Restmor — Sale Tilney — Wedgwood — Widney
INSURANCE (1)
Hambro Life
MOTORS (3)
Plaxton's (G.B.) — Young (H.) — Solex A
NEWSPAPERS (1)
Fleet Hldgs.
PAPER (2)
Carlton Comms. — Clondalkin
[illegible]
Bayer AG — Ciba-Geigy 8¾pc Cnv. 1982-85 — Hoechst AG
STORES (1)
Ramar Textiles
ELECTRICALS (1)
Microlease
ENGINEERING (8)
Black & Decker — Cohen (A.) — Braham Millar — Cook (Wm.) (Sheff.) — Burgess Prods. — Tex Abrasives — Cartwright (R.) — Tomkins (F. H.)
FOODS (4)
Dee Corp. — Low (Wm.) — Glass Glover — Pyke Hldgs.
INDUSTRIALS (14)
B.H. Prop. — Sandhurst Marketing — Courtney Pope — Solicitors Law — Francis Inds. — Stonehill — Hawkins & Tipson — 'The Times' Veneer — Marley — Third Mile Inv.

NEW LOWS (19)

BRITISH FUNDS (1)
Exchqr. 13½pc 1983
BREWERS (4)
Forshaws Burtonw'd — Marston Thompson — Greenall Whitley — Morland
BUILDINGS (2)
Johnstone's Paints — Lovell (Y. J.)
ELECTRICALS (3)
GEC — Wholesale Fittings — Racal Elect.
ENGINEERING (4)
Blackwood Hodge — Senior Eng. — Molins — Wellman
INDUSTRIALS (3)
Combined Tech. — Macpherson (D.) — Fothergill & Harvey
TEXTILES (1)
Martin (A.)
TRUSTS (1)
Edith

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	66	9	26	245	124	136
Corpns. Dom. and Foreign Bonds	19	1	51	63	41	251
Industrials	281	227	872	1,381	1,149	4,391
Financial and Props.	122	62	335	542	398	1,656
Oils	32	19	62	107	178	280
Plantations	1	2	18	7	24	74
Mines	78	19	69	246	283	301
Others	89	35	55	330	273	312
Totals	688	374	1,488	2,901	2,470	7,401

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Atlantic Res.	535	+5	ICI	560	+10
Cullen's Stores A	195	−20	London Brick	102	+8
Debenhams	138	−6	Plessey	208	−14
Eglinton Oil & Gas	295	+5	Rustenburg Plat.	670	+35
GEC	183	−7	Std. Tel. & Cables	274	−12
Hambro Life	434	—	Strong & Fisher	72	+5

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. changes	Thurs. close	Day's change	Stock	No. changes	Thurs. close	Day's change
Atlantic Cmptrs New	15	257	+12	Ingram (H.)	11	300	−18
GEC	14	190	−2	BOC	10	236	+8
Morley	14	75	+3	B. H. Prop.	10	758	+4
Cullen's Strs A	12	215	+28	Cable Wireless	10	293	−7
RTZ	12	575	—	GKN	10	164	+3
Tesco	12	174	+8	Ultramar	10	625	+5
Glaxo	11	798	—	Bowater	9	208	−6

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of changes	Last Thurs. close	Change on week	Stock	No. of changes	Last Thurs. close	Change on week
Lon & Liverpool Trust	84	52	−2	Glaxo	68	798	−2
GEC	77	190	—	Unilever	67	842	+24
ICI	76	550	+4	Tricentrol	65	208	−12
Eagle Star	75	480	−10	BP (partly pd)	64	198	−12
Edenspring Invs	74	10*	−2½	UBM	61	123½	−2
RTZ	74	575	−39	Ultramar	61	625	−55
Inter-City Inv.	70	51xr	−7	Bowater	60	208	+13

* Price at suspension.

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P.E. Ratio
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

INSURANCE & OVERSEAS MANAGED FUNDS

Lloyds Life Assurance—cont.

Gartmore Funds—Series A

American Oct 4	176.6	185.9	.....	—
British Oct 4	128.6	135.4	.....	—
Commodity Oct 4	125.1	131.7	.....	—
Extra Inc. Oct 4	115.2	121.3	.....	—
Far Eastern Oct 4	95.5	100.6	.....	—
High Inc Oct 4	109.8	115.6	.....	—
Income Oct 4	141.4	148.9	.....	—
Global Strategy Oct 4	167.9	176.8	.....	—
Special Sits Oct 4	132.1	139.1	.....	—
Gilt Oct 4	106.5	112.2	.....	—
Japan Oct 4	158.5	166.9	.....	—
UK Small Co's Oct 4	114.6	120.7	.....	—
Man Gwth Oct 4	150.0	157.9	.....	—
Austrln. Oct 4	120.3	126.7	.....	—
Oil & Energy Oct 4	122.1	128.6	.....	—
Gold Share Oct 4	79.6	83.8	.....	

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF. 01-404 0393

"Asset Builder"	65.1	69.0	.....	—

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511.

Money Mngr Oct. 1	61.0	65.8	.....	—
MM Flexible Oct 6	52.3	55.2	.....	—
Fixed Interest Oct 1	54.7	57.7	.....	—

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179
See adjacent Page Mon-Fri and Stock Exchange Page Sat.

London & Manchester Gp.
Winslade Park, Exeter EX5 1DS. 0392 52155

Invest. Tst. Fd. Cap.	392.3	—	+0.7	—
Invest. Tst. Fd. Acc.	389.2	—	+0.8	*12.5
Property Fund Cap.	117.5	—	+0.1	—
Property Fund Acc.	123.9	—	+0.1	*4.4
Flexible Fund Cap.	181.9	—	+0.4	—
Flexible Fund Acc.	191.8	—	+0.4	*4.5
Fixed Int. Fd. Cap.	140.7	—	+0.4	—
Fixed Int. Fd. Acc.	148.6	—	+0.4	—
Gtd. Deposit Fd. Cap.	139.0	—	.....	—
Gtd. Deposit Fd. Acc.	145.6	—	.....	—
Equity Fund Cap.	130.9	—	+0.3	—

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU. 01-680 0606

Property Fund		288.2	.....	—
Property Fund (A)		280.3	.....	—
Agricultural Fund		1,111.3	.....	—
Agric. Fund (A)		1,082.2	.....	—
Abbey Nat. Fund		227.9	.....	—
Abbey Nat. Fd. (A)		228.9	.....	—
Investment Fund		138.5	−0.2	—
Investment Fund (A)		136.1	−0.2	—
Equity Fund		412.8	−1.2	—
Equity Fund (A)		405.0	−1.2	—
Money Fund		215.9	+0.3	—
Money Fund (A)		212.0	+0.3	—
Actuarial Fund		218.6	.....	—
Gilt-edged Fund		191.1	+0.1	—
Gilt-Edged Fd. (A)		191.1	+0.1	—
Retire Annuity		354.0	.....	—
Immed. Ann'ty		193.0	.....	—
International Fd.		268.9	−0.6	—
Bldg. Soc. Life Fd.		104.5	.....	—

Property Gth Pens & Annuities Ltd

All Wther Ac. Uts.	247.0	260.0	.....	—
Inv. Fd. Uts.		294.3	.....	—
Pension Fd. Uts.		252.7	.....	—
Conv. Pens. Fd.		291.7	.....	—
Cnv. Pns. Cap. Ut.		218.5	.....	—
Man. Pens. Fd.		330.7	.....	—
Man. Pens. Cap. Ut.		257.7	.....	—
Prop. Pens. Fd.		281.8	.....	—
Prop. Pens. Cap. Uts.		213.7	.....	—
Bldg. Soc. Pen. Ut.		255.5	.....	—
Bldg. Soc. Cap. Ut.		195.1	.....	—
Gilts Pens. Fd.		169.3	+0.3	—
Gilts Pens. Fd. Cap.		148.3	+0.2	—
Equity Pens. Fd.		252.1	−0.6	—
Equity Pens. Fd. Cap.		221.0	−0.5	+3.2

Providence Capital Life Assc. Co. Ltd.
30 Uxbridge Road, W12 8PG. 01-749 9111

Equity Acc.	105.7	111.6	.....	—
Fixed Interest Acc.	92.6	97.7	.....	—
Intnl. Acc.	82.0	86.5	.....	—
Managed Acc.	91.8	96.9	.....	—
Property Acc.	112.4	118.6	.....	—
Money Acc.	74.2	78.3	.....	—
Special Market Acc.	66.7	70.4	.....	—

OFFSHORE AND OVERSEAS

Wardley Investment Services Ltd.,
4th Floor, Hutchison House, Hong Kong

Wardley Trust	$5.54	5.87	.....	2.39
Wardley Nikko As. Fd.	$22.43	23.51	.....	6.38
Wardley Bond Trust	$10.60	10.80	.....	8.61
Wardley Japan Trust	$26.46	27.63	.....	0.54

WestAven Secs (Guernsey) Ltd
PO Box 214, St Peter Port, Guernsey 0481 27768

Gilt & Option Fd.	£1.10	1.15	.....	2.50
US $ Option	$1.01	1.06	.....	—

World Wide Growth Managementφ
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$12.76	+0.08	—

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St. George's St., Douglas IoM 0624 25015

Wren Com. Fund	24.6	25.6	.....	—
Chinese Fund	65.1	67.8	−0.9	—
Precious Metal Fund.	120.3	125.3	.....	—
Vanguard Cmdy. Fd.	37.3	38.3	+0.2	—
Financial Futures Fd.	82.2	85.6	+6.0	—
Wren Intl. Fnd.*	$0.493	0.513	−0.070	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. § Guernsey gross. # Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. φ Yield column shows annualised rate of NAV increase.

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
102¼	100⅛	Exch. 13½pc '83	100⅜	–⅛	13.45	9.12
100¾	98¾	Exch. 10pc 1983	100⅛	+⅛	9.99	9.02
99¼	96¼	Funding 5½pc '82-84‡‡	99⅛	......	5.55	8.67
101¼	99½	Exch. 11¼pc 1984	100⅝	......	11.18	9.21
104⅝	100½	Exchequer 14pc 1984	102⅜	......	13.68	9.78
95¼	92½	Exch. 3pc 1984	95⅜	+⅛	3.14	9.61
102½	100½	Treasury 12pc 1984	102⅛	......	11.75	9.59
107½	104½	Treasury 15pc 1985	105¼	+⅛	14.18	10.29
107	101½	Exch. 12pc Cnv. '85	102⅝	+⅛	11.69	10.01
92¾	88⅞	Treasury 3pc 1985	92	......	3.26	8.30
102½	99⅞	Treasury 11½pc 1985	102⅛	......	11.25	10.06
102	95	Treas 8½pcCnv '85	98⅝	–⅛	8.92	9.82
103⅞	100⅞	Exch. 12¼pc 1985	103¼	......	11.87	10.45
102⅞	99⅞	Exch. 11¼pc '86	102⅛	......	11.49	10.58
101⅛	97¼	Treas 10pc Cnv 1986	99⅞	+⅛	10.01	10.01
88½	85⅛	Treasury 3pc 1986	87⅛	......	3.43	8.48
101½	97⅛	Exch. 10½pc Cv '86	99⅝	–⅛	10.53	10.59
103⅛	100⅛	Treasury 12pc '86	102⅝	+⅛	11.69	10.80
95⅞	94⅛	Treasury 8¼pc '84-86‡‡	95½	–⅛	8.90	10.39
114	103¼	Treas. 12¾pc '86 Cnv.	108¼	......	11.26	8.59
109⅛	105⅛	Exch. 14pc 1986	107½xd	+⅛	12.97	10.88
107¼	103⅝	Exch. 13¼pc 1987	106	......	12.50	10.98
98⅞	95⅞	Tr 10½pc Cv '87	98⅝	+⅛	10.39	10.72
84⅞	80¼	Exchequer 2½pc 1987	81¾	+⅛	3.06	8.87
100⅛	95⅞	Exch. 10½pc 1987	99	+⅛	10.61	10.85
93¼	88⅞	Funding 6½pc '85-87‡‡	89½xd	......	7.26	10.10
21½	20	Treas 10pc '87 (£20pd)	20⅞	......	10.25	10.82
86	80¼	Treasury 3pc 1987	81½	......	3.68	8.88
104⅝	99⅞	Treas 12pc 1987	103½xd	+⅛	11.61	10.95
93¼	89⅞	Treasury 7¾pc '85-88‡‡	90½	–⅛	8.56	10.53
101½	95½	Exch 10½pc '88	98¾	–⅛	10.63	10.87
30¼	30	Treas 9¾pcCv'88 £30pd	30⅛	......	10.09	10.69
81½	75¼	Transport 3pc '78-88	77⅝	–⅛	3.87	8.89

Five to Fifteen Years

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
96¾	90¾	Treas. 9½pc '88	94⅝xd	+½	10.00	10.81
104⅝	95¾	Treasury 11½pc 1989	103⅛	+⅛	11.32	11.08
101¼	94¼	Treas 10½pc 1989	101⅛	+½	10.76	11.06
83¼	76	Treasury 5pc '86-89	80xd	+¼	6.24	9.41
112½	103	Treasury 13pc 1990‡‡	111¼	+⅜	12.02	11.13
108⅝	100⅞	Exch. 12½pc 1990	106¾	+⅜	11.74	11.14
92	86¼	Treasury 8¼pc '87-90‡‡	91⅞	+⅛	9.25	10.52
106¼	97	Treasury 11¾pc 1991	105½	+⅜	11.46	11.20
83	74⅞	Funding 5¾pc '87-91‡‡	79	+¼	7.29	9.78
103	95⅞	Exch. 11pc 1991	99½xd	+⅜	11.01	11.01
114¼	102	Treasury 12¾pc '92‡‡	111½	+⅜	11.73	11.09
99⅝	88¾	Treasury 10pc 1992	97¾	+⅛	10.38	10.65
110¼	98½	Exch. 12¼pc '92	107⅝	+⅛	11.55	11.14
116	106½	Exchequer 13½pc '92	112¼	+¼	12.04	11.31
113¼	101¼	Treasury 12½pc '93‡‡	111	+¼	11.58	11.12
79⅞	71	Funding 6pc 1993‡‡	76¼	+⅜	7.86	9.77
120¼	110½	Treasury 13¾pc 1993‡‡	120⅛	+⅜	11.95	11.20
125¼	112½	Treasury 14½pc '94‡‡	121¼	+⅜	12.06	11.16
117⅝	109⅛	Exchequer 13½pc 1994	113½xd	+⅜	11.88	11.21
113⅞	100½	Exch. 12½pc 1994	110¼	+⅜	11.51	11.11
94⅝	86¼	Treasury 9pc '94‡‡	94⅝	+⅛	9.89	10.37
112	98	Treasury 12pc '95	108⅛	+⅜	11.36	11.18
65¼	61½	Gas 3pc '90/95	64¼xd	+¼	4.66	7.71
101¼	88¼	Exch. 10¼pc 1995	98⅜	+⅜	10.67	10.82
116⅝	106⅛	Treasury 12¾pc '95‡‡	116⅝	+¼	11.44	11.00
126⅛	110	Treas. 14pc '96	121¼	+¼	11.35	11.22
93½	83¾	Treasury 9pc '92/96‡‡	91½	+⅛	9.94	10.37
133⅛	121¾	Treasury 15¼pc '96‡‡	126½xd	+⅛	11.98	11.17
127¼	109¼	Exchequer 13¼pc '96‡‡	120⅝	+¼	11.52	11.01
69¾	58	Redemption 3pc 1986-96	69½	......	4.32	6.53
123⅝	107	Treasury 13¼pc '97‡‡	118¼	+⅛	11.49	11.01
103⅞	89½	Exchequer 10½pc 1997	99¾	+⅛	10.68	10.73
92	80½	Treasury 8¾pc 1997‡‡	89	+¼	9.94	10.38
131⅝	120¼	Exch. 15pc 1997	125½xd	+¼	11.87	11.23
78¾	69½	Treasury 6¾pc '95-98‡‡	75xd	+¼	8.95	10.08
137⅞	124¼	Treas. 15½pc '98‡‡	131⅞	+¼	11.84	11.19

Over Fifteen Years

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
114½	101	Exch. 12pc 1998	112⅝	+⅛	11.12	10.90
98	86¼	Treasury 9½pc 1999‡‡	95½	+⅛	10.19	10.38
115⅝	103¼	Exch. 12¼pc 1999	110⅝	+¼	11.12	10.88
104¼	92¼	Treasury 10½pc 1999	103⅝	+¼	10.58	10.59
123	106	Treas. 13pc 2000	119⅝	+¼	11.16	10.83
128⅞	113¼	Treas. 14pc '98-01	126⅜	+¼	11.57	11.06
116⅝	99¼	Exch. 12pc '99-02	111½	+⅛	11.82	10.79
130	111	Treas. 13¾pc 2000-03	124¼	+¼	11.28	10.87
113⅝	99⅝	Treasury 11½pc '01-04	108½	+⅛	10.66	10.51
50	43½	Funding 3½pc '99-04	49⅛	+⅛	7.25	9.07
122⅛	106½	Treasury 12½pc '03-05	120⅞	+⅛	10.77	10.55
87½	77¼	Treasury 8pc '02-06‡‡	83⅝	......	9.61	9.85
117⅞	99	Treasury 11¾pc 03-07	112⅝	+¼	10.68	10.51
129¼	115	Treas. 13½pc '04-08	124⅝	+¼	10.88	10.59
65½	53⅜	Treasury 5½pc '08-12‡‡	62⅞	+⅛	8.88	9.32
87⅛	71⅞	Treasury 7¾pc '12-15‡‡	83	+⅛	9.52	9.64
122⅝	106¼	Exch. 12pc '13-'17	122⅛	+¼	10.15	10.06

Undated

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
42	35¼	Consols 4pc	40¼	......	10.13	—
37½	31½	War Loan 3½pc‡‡	36⅞	+⅛	9.83	—
47¼	37½	Conv. 3½pc '61 Aft.	47¼	......	7.42	—
32	28¼	Treasury 3pc 66 Aft.	30	......	10.01	—
25¼	22¼	Consols 2½pc	25	......	10.01	—
25⅞	22⅛	Treasury 2½pc	24¾	......	10.13	—

Index-Linked

1983 High	Low	Stock	Price £	+ or –	(1)	(2)
106	98⅞	Treas. 2pc I.L. '88	103½	......	2.88	3.29
111⅛	99⅞	Do. 2pc I.L. '96	104⅝	–⅛	3.33	3.19
98	91½	Do. 2½pc Cnv '99	97⅞	+¼	2.66	2.84
103⅞	93¼	Do. 2½pc I.L. 2001	96⅜	......	3.02	3.12
104	91¾	Do. 2½pc I.L. 2003	96½	......	2.94	3.09
107½	94¼	Do. 2pc I.L. 2006	99¼	+⅛	2.88	3.03
104½	91¾	Do. 2½pc I.L. 2009	96⅜	+⅛	2.86	2.99
109½	97	Do. 2½pc I.L. 2011	101⅛	......	2.84	2.96
100¼	88¼	Do 2½pc I.L. 2016	93⅛	+¼	2.76	2.89

Prospective real redemption rate on projected inflation of (1) 10% and (2) 7%

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
120	102½	Australia 13½pc 2010	115¼	......	11.98	11.90
120	85	Euro Inv Bk 11pc Ln 2002	95½xd	......	11.54	11.62
107¾	103½	Finland 14½pc Ln 1986	106⅜	......	13.63	11.63
104¼	90⅛	Int-Am Dev Bk 12½pc 2003	103¼	......	12.47	12.45
106½	102½	Int. Bank 13½pc 1986	105xd	+¼	12.86	11.17
108¾	104¾	Do. 14pcLn 1987	107½	......	13.82	11.33
101⅞	96⅞	Mlysia 12¼pc Ln '88 £30	100¼	......	12.22	12.17
97½	77⅛	Mex 16½pc 2008	97xd	+½	17.32	17.31
109¼	104¼	N.Z. 14¼pc 1987	108	......	13.19	11.52
97¼	91½	Do. 11¼pc 2008	93½xd	–2½	12.80	11.94
105½	101½	Sweden 13½pc 1986	104¼	......	12.95	11.42
111¼	95	Do. 13½pc Ln 2010	111	+¼	12.50	12.43

CORPORATION LOANS

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
101	97	Bath 11¾pc 1985	100¾xd	......	11.37	10.83
103	99¼	Birm'ham 12½pc 1985	102½	......	12.20	10.73
105⅞	101½	Burnley 13pc 1987	105	......	12.39	11.26
100	95½	Cardiff 11pc 1986	99⅝	......	11.04	11.14
102½	101	G.L.C. 13¼pc 1984	101⅛	......	13.08	9.15
73¾	70½	Do. 6¾pc 90-92	75¾	+¾	9.02	11.50
87¼	82¼	Herts 6½pc 1985-87	87¼	......	7.73	10.89
118½	107½	Leeds 13½pc 2006	115xd	+¼	11.75	11.62
100¼	97	Liverpool 9¼pc '80-84	100¼	+¼	9.73	9.24
30¼	27½	D. 3½pc Irred.	30¼xd	+¼	11.71	—
102	100¼	Lon. Corp. 13¼pc '83	100½	+¼	13.15	12.46
97¼	93¼	Do. 9½pc '84-85	97	......	9.54	10.95
97	81¼	LCC 5½pc '82-84	97	......	5.67	9.58
84	78¼	Do. 5½pc '85-87	84	+⅛	6.55	10.87
81	75	Do 6¼pc '88-90	80½	......	8.56	11.27
26⅛	23¾	Do. 3pc '20 Aft.	25½xd	......	11.93	—
103	100	Sunderland 12¼pc 1984	102¼	......	11.98	10.09

COMMONWEALTH AND AFRICAN LOANS

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
101½	94¼	Aust. 6pc 1981-83	101½	+⅛	6.83	9.38
79½	74¾	N.Z. 7½pc 1988-92	79½xd	+¼	9.34	11.33
92⅛	88¼	Do. 7½pc '83-86	92⅛	......	8.35	11.92
181	158	S. Rhod. 2½pc Non-Ass.	181	......	—	—
86	74	Do. 3½pc 83-85 Asstd.	80	......	4.38	15.60
57	44	Do. 4½pc 87-92 Asstd.	54	......	8.43	14.20
395	321	Zimbabwe Ann (£100pa)	338xd	......	—	15.34

LOANS

Public Board and Ind.

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
77½	71¼	Agric. Mt. 5pc '59-89	73¼xd	+¼	6.95	11.85
35¾	31¼	Met. Wtr. 3pc 'B'	35½	......	8.05	10.62

Financial

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
97½	92	Inv In Ind 6½pcDb'81-'84	97½	......	6.6	11.20
106½	96¼	Do. 10½pc UnLn '86	101	......	10.69	11.40
104	96½	Do. 11pc Uns.Ln. '88	102	......	11.10	11.30
104½	97½	Do. 11¾pc Uns.Ln. '90	102½	......	11.84	11.90
106½	97½	Do. 12½pc Un. Ln. 1992	105xd	......	11.99	11.70
78¾	74½	Do. 7¼pc A Deb '89-92	78¾	+1¼	9.60	11.70
77½	70½	Do. 7¼pc ADeb. '91-94	75¼xd	+¼	9.80	11.50
87⅛	80½	Do. 9% A '91-'94	86½	......	10.51	11.30
86	72⅞	Do. 8¾pcLn. '92-97	84	+½	10.78	11.35

Building Societies

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
100½	98	N'wide 9½pc 31.10.83	100½xd	+½	—	—
100⅛	98	Do. 9¾pc 28.11.83	99½xd	+⅛	9.88	9.69
100½	99⅝	Do. 11¼pc 19.12.83	100¼xd	......	11.23	10.19
100⅞	99	Do. 11⅞pc 23.1.84	100¼	......	11.82	10.05
100⅞	100	Do. 11⅞pc 13.2.84	100½	......	11.81	10.18
100⅝	99	Do. 11¼pc 19.3.84	100½xd	......	11.19	10.13
100⅞	99⅞	Do. 11¼pc 9.4.84	100⅞xd	......	11.15	9.43
100⅞	99½	Do 10½% 30/4/84	100⅞xd	......	10.59	9.10
100⅞	99⅝	Do 10⅞% 29/5/84	100⅜	......	10.81	9.96
100½	99½	Do. 10⅞pc 18.6.84	100⅞	......	10.83	9.95
100½	99½	Do. 10⅝pc 9.7.84	100¼	......	10.53	10.23
100½	99¼	Do. 10⅞pc 30.7.84	100⅛	......	10.83	10.41

FOREIGN BONDS & RAILS

1983 High	Low	Stock	Price £	+ or –	Div. % Gross	Red. Yield
15	8	Chinese 4½pc 1898	15	......	—	—
11	10	Do. 5pc 1912	11	......	—	—
11	8	Do. 5pc 1913	10	......	—	—
8	5½	Do. 5pc '25 Boxer	7½	......	—	—
48	40	Greek 7pc Ass.	48xd	......	3½	f7.29
46	41	Do. 6pc 28 Stb. Ass.	46	......	3	f6.59
44	38	Do 4pc Mixed Ass.	44	......	2	f4.60
34	27	Hung. '24 Ass.	31½	+1½	2¾	f9.07
121	102½	Hydro Quebec 15pc Ln 2011	121xd	+½	15	12.91
76	75	Iceland 6½pc '83-88	75	......	6½	13.80
110	94½	Do. 14½pc Ln. 2016	109	......	14½	13.59
88½	78¾	Ireland 9¾% '91-'96	85¾xd	......	9¾	12.08
303	275	Japan 4pc '10 Ass	290xd	......	—	—
90	81½	Do. 6pc '83-88	84	......	6	10.11
161	161	Peru Ass. 2007	161	......	5.22	f3.29
$92	$75	Turin 9pc 1991	$92	......	9	f9.78
DM95	DM88	Turin 6½pc 1984	DM95	......	6½	13.90

AMERICANS

1983 High	Low	Stock	Price £	+ or –	Div. Gross	C'vr	Y'ld Gr's
34½	22¼	Abbott Labs.‖	34½	+1	$1.00	—	1.9
31⅞	17⅞	Alcoa 1$	30⅛	+1⅛	$1.20	—	2.7
19½	13⅝	Amax $1	17¼	+⅛	20c	—	0.8
18⅝	875p	Amdahl	12¾	+⅛	b20c	—	1.0
32⅛	22	Amer. Express $0.60	25⅞xd	+1¼	$1.28	—	3.3
24⅛	17½	Amer. Medical Intl. $1.	19⅞	+⅛	48c	—	1.6
29	20⅝	Amer. Nat. Res. $1.	28⅛	–¼	$3.16	—	7.5
46⅛	36¼	American T. & T. Co.	43⅝	–⅛	s$5.40	—	8.3
20	14	Amfac Inc	18	–⅛	$1.44	—	5.4
16	12	Bank America Corpn.	13¾	+¼	$1.52	—	7.4
31¼	22⅞	Bankers N.Y. $10	28⅞	+¼	$2.25	—	5.2
17¼	11⅞	♥Beth Steel $8	16⅝	+½	60c	—	2.4
30¼	21⅛	Brown'g Fer. c16⅔	26⅝xd	–⅛	80c	—	2.0
33⅞	15⅛	Brunswick Corpn.‖	33⅞	+1¼	$1.20	—	2.4
28	22¼	C.P.C. 25c	28	+¼	$2.20	—	5.2
38	28⅛	Campbell Soup	38	+1	$2.20	—	3.8
31½	24½	Caterpillar‖	30⅛	+½	$1.50	—	3.3
39¼	25	Chase M'htn $12.5	32¾xd	+⅞	$3.50	—	7.2
36½	26¼	Chemical N.Y. Corpn	28⅝	+⅝	$3.24	—	7.6
29⅞	24⅝	Chesebrough $1	27½	+⅛	$1.84	—	4.5
22¼	11	Chrysler $6¼	21⅞	+⅝	—	—	—
29½	20¼	Citicorp $4	23⅞xd	+⅝	$1.88	—	5.2
25¼	17	City Inv. $1.25	25½xd	+½	$1.80	—	4.8
19⅞	13⅛	Do. Cm. Prf. B $1	16⅞	......	$2.00	—	7.9
16⅞	11⅞	Colgate-P. $1	16⅛	+¼	$1.28	—	5.2
32⅜	19¼	Colt Inds. $1	31⅝	+¼	$2.20	—	4.7
33⅛	25	Cons. Foods $1⅓	33⅛	+¼	$2.32	—	4.7
16⅝	12	Cont. Illinois $5	15xd	......	$2.00	—	8.2
21⅝	17¼	Crown Zell. $5	20⅛	......	$1.00	—	3.3
811p	410p	Damson Oil US$0.4	729p‡	......	—	—	—
28⅞	20⅛	Dana Corp. $1	27⅞	–¼	$1.60	—	3.8
31⅝	19⅛	Eaton Crp. $0.50.	31⅝	+1⅛	80c	—	1.7
56⅞	35⅛	Esmark $1	55⅝	–1⅛	$1.84	—	2.2
25⅞	17⅞	♥Exxon‖	24¼	+⅛	$3.20	—	8.6
31¾	14⅝	Fin. Corp. America	31	+1⅛	68c	—	1.5
18⅝	10⅝	First Chicago $5	16⅞	+¼	$1.20	—	4.7
27⅛	22⅞	Florida Power & Light.	27⅛	–¼	$3.60	—	8.9
15⅝	12⅛	Fluor Corp. $⅝	13⅛xd	+¼	80c	—	4.1
43⅞	23⅛	Ford Motor $2	43⅞	+⅞	230c	—	0.4
23¼	16⅝	GATX $⅝	23⅝	+⅛	$2.40	—	6.8
73⅝	31	Gen Elect $2½	36⅞	–¼	Q$1.90	—	3.5
33¼	24⅜	General Foods Corpn. $1	33	+⅛	$2.40	—	4.9
35	26⅛	Gillette $1	33⅝xd	+⅜	$2.30	—	4.5
30	18⅛	Gulf Oil‖	29⅛xd	+⅝	$2.80	—	6.4
85⅛	51⅞	Honeywell $1.50.	82⅝	–1½	$3.60	—	2.9
34⅛	17⅛	Hutton (E. F.) $1.	26⅛xd	+⅝	80c	—	2.0
88⅛	57⅛	I.B.M. Corp. $1.25.	88⅛	+⅛	$3.80	—	2.9
37¼	24	Ingersoll-R $2	37⅛	+⅛	$2.60	—	4.7
17⅝	12⅛	Insilco $1	15	......	$1.00	—	4.5
19⅞	10	I. U. International‖	18¼	+½	$1.15	—	4.1
30⅛	18½	Int. Tel. & Tel. $1	30	+⅛	$2.76	—	6.1
24⅛	16⅝	Lone Star Inds.	18⅜	–⅛	$1.80	—	4.6
20⅞	13	Louisiana Land $0.15	17⅝xd	+⅛	$1.00	—	3.8
21	937p	Lowes US$0.50	17xd	+½	h34½c	—	1.3
31⅞	24⅜	Manf. Han. US$7.50	27⅛	+⅞	$3.04	—	7.5
36⅛	17¼	Merrill Lynch $1	24	+1	h80c	—	2.2
54¼	40⅞	Morgan (JP) US$2.5	45¼xd	+½	$3.70	—	7.6
10⅞	950p	Pacific Gas & Elect $5.	10¼	–⅛	$1.60	—	9.9
27⅛	21⅞	Pennzoil Co.	23⅛	+⅛	$2.20	—	6.3
36⅛	25½	Quaker Oats US$5	36¼xd	–⅛	$2.00	—	3.7
32⅞	23	Rep. N.Y. Corp. $5	29⅝	......	$1.52	—	3.5
10¼	850p	Rexnord $5	10⅛	–⅛	40c	—	2.5
22¼	13⅛	Rockwell Intl. $1.	19⅞	+⅝	h$0.88	—	3.0
953p	594p	Saul (B. F.) $1	900p	+3	20c	—	1.5
33¼	22⅞	♥Shell Oil $1	28	+⅛	$1.80	—	4.3
31⅞	20	Sperry Corp. $0.50.	31⅛	+⅞	$1.92	—	4.1
30½	19⅛	Sun Co. Inc.	29⅛	+⅛	$2.30	—	5.3
51⅞	40⅝	TRW Inc. $1¼	50⅛	+⅝	$2.60	—	3.5
28½	20	Tenneco $5	27⅞	......	$2.72	—	6.7
169	119	Do. 10% Ln. Stk. 91-95	167	–2	10%	—	f6.1
25½	18¾	Texaco $6.25	23⅞	+⅜	$3.00	—	8.4
50⅛	29⅞	Time Inc. $1	45⅝	+⅜	$1.00	—	1.5
20¼	13¼	Transamerica $1.	18⅞xd	+⅛	$1.50	—	5.3
48⅛	31½	Union Carbide $1	45¼xd	–½	$3.40	—	5.1
49⅝	33⅛	Utd. Tech. $US5	44⅞	–¼	$2.60	—	3.9
20	12⅞	♥U.S. Steel $1	19⅞	+⅛	$1.00	—	3.5
25¼	14½	♥Woolworths $3½	24¾	......	$1.80	—	4.9
14¾	975p	Zapata Corp. 25c.	12½	–¼	84c	—	4.5

CANADIANS

1983 High	Low	Stock	Price £	+ or –	Div. Gross	C'vr	Y'ld Gr's
17½	13	Bk. Montreal $2	15¼xd	–⅜	$1.96	—	7.0
24¼	16¼	Bk. Nova Scot.‖	24xd	......	$2.00	—	4.5
115p	90p	Barrick Res Corp.	107p	+2	—	—	—
16⅛	11⅞	Bell Canada‖	16¼xd	+¼	$2.08	—	7.0
15¾	850p	♥Bow Valley‖	14	–⅛	15c	—	0.6
22	982p	Brascan‖	20½	+⅛	$1.60	—	4.2
575p	8p	Breakwater Res	550p	+40	—	—	—
20⅝	15⅝	Can. Imp. Bk. $2	17¼xd	–⅜	$2.08	—	6.5
27⅞	17⅞	Can. Pacific $5	27¼xd	+½	$1.40	—	2.8
34¼	28	Do. 4pc Deb. £100	33⅜	+1½	4%	—	12.0
13½	880p	Can. P. Ent.‖	12⅝xd	+⅛	80c	—	3.4
180p	65p	♥Greenwich Res Inc.	160p	......	—	—	—
11⅛	704p	♥Gulf Can. ‖	995p	+14	44c	—	2.4
10⅝	712p	♥Hawker Sid Can‖	934p	+8	96c	—	5.5
16½	12½	♥Hollinger $5	15	......	s$2.20	—	7.9
13⅜	914p	Hudson's Bay ‖	12½	......	60c	—	2.6
22⅞	14	♥Imperial Oil‖	20	–⅛	$1.40	—	3.8
12⅞	720p	Inco‖	10⅝xd	–⅛	$US20c	—	1.3
11	200p	Int'l Corona Res.	825p	+10	—	—	—
870p	665p	♥Int'l Nat Gas $1	845p	......	$1.10	—	7.0
402p	190p	Massey Ferg.‖	372p	–9	B—	—	—
33⅛	18⅛	♥Rio Algom	31⅝	–⅛	$1.50	—	2.6
18	13¾	Royal Bk Can ‖	17¾xd	......	$2.00	—	6.0
24⅛	15½	Seagram Co. C$1	23⅝	......	US$0.68	—	1.9
90p	65p	♥Falcorp	72p	......	—	—	—
145p	115p	♥Do pref $3	137p	......	10%	—	11.8
10	662p	Tor. Dom. Bk. ‖	995p	+1	$0.72	—	3.9
15⅞	13	♥Trans Can Pipe	15¼	......	$1.40	—	4.9

BANKS, H.P. & LEASING

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
345	190	ANZ $A1	345	+8	Q28c	3.1	4.6	6.9
295	235	Alexanders D. £1.	250	+2	20.0	—	11.4	—
£93	£66	Algemene Fl.100	£85⅜	......	vQ26%	1.8	6.7	8.3
157	89	Allied Irish	140	......	Q49%	4.2	6.8	4.8
110	77	Ansbacher (H.) 5p.	80	......	3.5	—	6.2	—
275	170	Bk. Ireland £1	240	......	hzQ24.9	—	8.1	—
3½	1½	Bank Leumi	1½	......	—	—	—	—
190	130	Bk Leumi (UK) £1.	185	......	10.15	—	7.8	—
535	420	Bank Scotland £1	528xd	+3	†24.0	4.1	6.5	4.0
534	385	Barclays £1	455	+3	†22.0	3.6	6.9	4.6
310	235	Brown Shipley £1	300	–5	7.75	—	3.7	—
410	315	Cater Allen £1	380	–10	26.95	—	10.1	—
114	78	Charterhouse Gp.	91	+1	†5.18	1.6	8.1	(9.2)
44	32	Clive Dis'nt. 20p	42	......	3.2	—	11.4	—
980	650	Com'zbk DM 10	870	+10	—	—	—	—
£22¼	£10⅜	C'hgn. Hdl. Kr100	£18	......	vQ15%	—	9.0	—
9	6½	Dawes (G. R.)	7½	......	—	—	—	—
£94	£68½	Deutsche Bank DM50	£80	+2¼	vQ22%	—	3.4	—
196	103	English Assoc.	145	......	3.0	3.8	3.0	12.6
66	39	First Nat. 10p	62½	+1½	—	—	—	5.0
5¼	¼	Do. Wrrts. 75-83	2¼	......	—	—	—	—
225	161	Gerrard Natnl	225	+3	h10.0	—	6.4	—
59	43	Goode D't Mry. 5p	56	......	1.0	—	2.6	—
208	125	Grindlays	160xd	+5	4.38	3.0	3.9	12.2
58	39	Guinness Peat	47	+2	B—	—	—	—
140	100	Hambros 5p	115	......	5.28	—	6.6	—
277	177	Hill Samuel	257	+2	9.1	—	5.1	—
86½	50	Hong Shng. $2.50	53	+2	†Q55c	—	8.3	—

BANKS—Continued

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
76	57	Jessel Toyn. & Gilbert	69	–1	5.5	—	11.4	—
263	185	Joseph (Leo) £1	245	......	11.25	—	6.6	—
116	94	King & Shax 20p	108	......	7.5	—	9.9	—
370	270	Kleinwort B.L.	310xd	–1	11.0	—	5.1	—
576	395	Lloyds £1	463	–4	†24.58	3.8	7.6	3.7
40	27	Manson Fin. 20p	35	......	†2.0	2.3	‡	6.2
445	234	Mercury Secs.	425	......	9.5	—	3.2	—
443	272	Midland £1	405xd	+2	¶25.5	3.1	9.0	4.3
£80	£67	Do. 7½% 83-93	£78¼	......	Q7½%	38.9	[10.0]	—
£97	£89½	Do. 10¼% 93-98.	£91	+½	Q10¼%	38.9	d11.8	—
118	77	Minster Assets	98	–1	4.7	2.1	6.8	9.1
*203	128	Nat. Com. Bk. Aust. $1	203	+5	FQ23c	2.6	6.5	6.0
675	446	Nat. West. £1	580	......	†29.0	3.9	7.1	3.9
£80	£58	Ottoman Bank £20	£60½	......	Q45%	—	—	—
141	115	Royal Bk. of Scot.	123	+1	†6.7	3.6	7.8	4.4
655	465	Schroders £1	635	......	15.0	—	3.4	—
250	200	Seccombe M.C £1	240	......	19.0	—	11.3	—
£37⅛	£22⅝	Sec. Pacific Corp.	£33⅜	......	Q$2.40	—	4.0	—
52	32	Smith St. Aub.	41	......	3.5	—	13.3	—
*505	343	Stand'd Chart £1	425	+5	†27.0	2.6	9.1	5.2
$23½	$11½	Trade Dev. $1.50	$21½	......	—	—	—	—
590	515	Union Disc. £1	560	–5	31.0	—	7.9	—
£26⅝	£16½	Wells Fargo $5.	£25⅞	+⅛	Q$1.92	—	5.0	—
212	140	Westpac $A1	212	+2	Q24c	2.2	6.5	7.0
215	154	Wintrust 20p	200	......	3.92	—	2.8	—

Hire Purchase, Leasing, etc.

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
267	140	♦Baltic Leasing 5p	253xd	......	g2.8	—	1.6	—
32	23½	Cattle's (Hldgs) 10p	27	......	†1.28	2.1	6.8	8.5
£32	£19⅞	Cie B'cre Fr.100	£30¼	+½	gQ15%	—	4.5	—
51	30	Lnd.Scot.Fin. 10p	43	......	g2.5	2.8	8.3	7.8
31½	18	Moorgate Merc. 10p	29	......	Q1.1	1.7	5.4	(3.8)
160	114	Prov. Financial	144	–1	†8.0	1.9	7.9	9.5
104	86	♦Stlo.Bus.Leas. 10p	104	+4	bg1.75	3.2	2.4	(14.4)
10	4½	Sturla Hldgs. 10p	6‡	......	—	—	—	—
168	130	Utd. Leasing 20p	165	......	1.5	4.2	1.2	28.0
56	39	Wagon Finance	41	–1	2.31	0.4	8.1	43.1

BEERS, WINES & SPIRITS

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
154	129	Allied-Lyons	144	......	6.05	2.0	6.0	10.0
180	130	Amal. Dist. Pr. 10p.	180	+1	†2.75	4.3	2.2	11.7
346	287	Bass	325	......	†10.1	2.6	4.4	11.8
35	18	Belhaven Brewery	25	......	—	—	—	—
197	128	Bell Arthur 50p	130	......	4.1	4	4.6	4
£230	£162	Do. 9½pc Cnv. 99-01	£162	......	Q9½%	4	f5.6	—
153½	101	Boddingtons	101	......	†2.4	2.6	3.4	16.5
104	88	Border Brew's	98	......	5.3	1.8	7.7	9.9
286	210	Brown (Matthew)	224	......	6.9	2.5	4.4	12.1
59	43	Buckley's Brew.	46	–1	2.45	1.6	7.6	9.9
328	198	Bulmer (H. P.) 5p.	300	......	4.2	3.7	2.0	16.6
348	200	Clark (Matthew)	325	......	10.0	2.5	4.4	13.1
335	208	Devenish Br. (Hdg.)	280	......	b8.4	1.8	4.3	17.5
264	210	Distillers 50p	215	......	13.0	2.6	8.6	5.6
495	435	Forshaw Burtonwood	435	–20	8.62	3.9	2.8	13.0
141	104	Greenall Whitley	104	–2	†3.7	2.8	5.2	9.0
246	182	Greene King	186	......	3.95	2.8	3.0	16.1
125	101	Guinness	109	......	†5.23	2.4	6.8	8.5
117	89	High'd Dist. 20p	89	......	†2.86	2.6	4.6	(9.4)
209	141½	Invergordon	148	......	4.0	2.5	3.9	14.7
137	73	Irish Distillers	137	......	‡Q30.6%	3.3	4.4	10.7
630	500	Macallan, Glen.	630	......	7.15	2.5	1.6	28.0
79	65	Marston Thompson	65	–1	h1.55	3.1	3.4	13.4
440	215	♦Merrydown Wine	395	–5	g5.0	4.7	1.8	16.6
265	210	Morland	210	–4	†5.0	2.5	3.4	15.9
208	158	♦Ruddle (G.) 10p	178	......	d3.3	2.7	2.6	18.3
99	74	Scott & New 20p	96	–½	4.66	1.8	7.2	10.5
44	24	Tomatin	26	......	—	—	—	—
243	189	Vaux	198	......	†8.25	2.3	6.0	9.4
161	132	Whitbread 'A'	135	......	5.4	2.3	5.7	9.7
298	258	Wolv. Dudley	270	–2	†6.75	3.2	3.6	13.8
400	285	Young Brew 'A' 50p.	290	–5	4.5	2.4	2.2	22.0
280	125	Do. Non. V. 50p.	173	......	4.5	2.4	3.7	13.1

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
122	92	Stewart Plastics	96	......	d2.02	2.9	3.0	16.1
15	10	Thurgar Bardex 10p.	11	......	—	—	—	—
120	102	Wolstenholme	102	......	6.25	2.1	8.8	(6.3)
85	44	Yorks Chems	83	–1	1.0	0.6	1.7	—

DRAPERY AND STORES

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
30	10	♦Ades Jewellery 10p	26	......	‡d3.7	—	‡	—
29½	21	Allebone 10p	24	+½	0.5	1.8	3.0	(3.8)
25	7½	Amber Day 20p	10	–1	B—	—	—	8.1
55	37	Aquascutum 5p.	45	......	2.05	0.3	6.5	—
42½	29½	Do. 'A' 5p	33	......	2.05	0.3	8.9	—
975	675	♦Asprey	675	......	16.0	2.9	3.4	11.2
134	111	Baker's Strs. 10p	111	......	1.65	5.1	2.1	13.2
37	11	Bambers Stores 10p.	12‡	......	0.25	—	3.2	—
98	73	Beattie (J) 'A'	87	......	2.65	3.8	4.4	10.9
49	39	Bentalls 10p	42xd	......	†1.6	1.7	5.4	15.8
13	4	Boardman KO 5p.	12½	–½	—	—	—	—
16	11	Bolton Text. 5p	14	......	—	—	—	—
50	24	Bremner	42	......	2.2	0.8	7.5	(31.3)
236	196	Brit. Home Strs.	225	......	5.25	2.5	3.3	17.2
160	113	Brown (N) 20p.	125	+2	6.0	2.2	6.9	9.4
372	276	Burton Grp. 50p	345	+3	†7.75	2.7	3.2	(18.5)
84	40	Caird (A.)	74	......	0.5	—	1.0	—
70	43	Cantors 'A' 20p	69	......	1.5	5.5	3.1	6.2
29	20	Casket (S.) 10p	27	......	1.88	—	10.5	—
82	65	♦Castle (G.B.)	78	......	b6.5	1.9	3.9	19.8
342	238	Church	335	......	†9.5	2.0	4.0	(14.8)
42	25	Comb. Eng. 12½p	41xd	+2	1.82	3.3	6.3	(5.3)
360	240	Comet Group 5p.	300	......	t5.5	3.1	2.6	(17.0)
138	114	Courts 'A'	120	......	4.7	2.6	5.6	8.8
387	280	Currys	320	–6	†6.75	2.4	3.0	19.4
80	43	♦De Brett (Andre) 10p	45	......	2.5	1.6	7.9	10.9
145	90	Debenhams	138	–6	6.8	1.5	7.0	(11.8)
139	90½	Dewhirst 10p	128	+1	†h1.02	4.6	1.1	23.5
238	183	Dixons Grp. 10p	202	–1	†4.09	4.4	2.9	8.4
34½	23½	Ellis & Gold 15p.	34½	......	2.15	1.3	8.9	(18.9)
92	48	Empire Stores	72	......	0.1	—	0.2	—
36	9	Executex 20p	34	......	—	—	—	—
46	26	Fine Art Devs. 5p	43	......	3.0	0.7	10.0	(28.0)
27	19	Ford (M'tin) 10p.	20	......	†0.75	1.0	5.4	(25.0)
174	120	Formminster 10p	153	......	4.97	2.9	4.6	10.6
102	52	Foster Bros	88	......	3.35	1.4	5.4	16.3
92	58	Freemans	76	+2	4.15	1.3	8.0	11.9
119	101	♦Gee (Cecil) 10p	119	......	u2.1	2.9	2.5	18.5
75	61	Gelfer (A.J.) 20p.	73	–1	4.5	2.0	8.8	8.0
204	180	Gem (S. R.) 10p.	184	–2	b3.0	6	2.3	—
83	69	Goldberg A.	73	+1	5.25	1.2	10.3	(8.5)
16½	10	Goodman Br. 5p.	13½	......	—	—	—	—
86	32	Grattan	46	......	†1.0	—	‡	—
605	498	Gt. Universal	555	......	14.0	q3.1	3.7	11.9
603	493	Gus A.	550	......	14.0	q3.1	3.7	11.8
51	29	Greenfields 10p	34	......	1.25	—	5.3	—
300	196	Habitat 10p	276	–2	5.3	2.6	2.7	19.1
£207	£142	Do. 9¾pc Cnv. 98/2001	£188	......	Q9¾%	5.9	f5.2	—
344	260	Harris Queensway	288xd	+2	†5.67	3.3	2.8	14.0
78	53	♦Heelamat 10p	70	......	5.6	1.4	11.4	8.3
28½	13½	Helene Lon. 10p	18½	–½	1.48	0.9	11.4	13.7
28	19	Henriques A 10p	27	......	1.5	—	8.2	—
196	106	Hepworth (J.) 10p	181	+1	±4.8	1.5	3.8	(21.1)
36	22	Hollas Grp 5p	24	......	2.0	1.5	11.9	7.7
132	98½	Home Charm 10p	107	–1	†h1.35	2.9	1.8	22.4
248	150	House of Fraser	232xd	......	7.5	1.9	4.6	15.8
160	102	House of Lerose	13‡	–7	7.6	2.2	8.1	7.7
88	64	Jones (Ernest) 10p	74	+2	d3.9	0.3	7.5	—
54	32	Ladies Pride 20p	35	......	±3.4	0.5	‡	(8.7)
153	83	Lee Cooper	138	+3	3.32	6.5	3.4	4.7
152	114	Liberty	150xd	......	†3.0	1.9	2.9	25.0
96	62	Do. Non Vtg. Ord.	94xd	......	†3.0	1.9	4.6	15.7
68	30	Lincroft K. 10p.	57½	......	†2.0	2.4	5.0	11.9
164	129½	MFI Furniture 10p	144	–1	3.7	q2.6	3.7	15.0
225	191	Marks & Spencer	209	–1	5.1	2.0	3.5	20.5
210	150	Martin News	150	......	†5.78	3.1	5.5	6.7
240	92	Mellins 5p	98	–8	—	—	—	—
345	287	Menzies (J.)	293	+3	†5.0	5.1	2.5	9.5
175	120	Milletts Leis. 20p	148	......	d6.95	0.3	6.7	—
144	94	NSS News 10p.	94	......	N3.0	4.1	4.6	8.4
214	77	N'thn. Goldsmith	196xd	......	m0.85	0.7	0.6	—
238	168	Oliver (G.) "A"	200	+5	†6.0	2.2	4.3	(22)

ELECTRICALS

ENGINEERING

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

FOOD, GROCERIES, ETC.

هكذا من الأصل

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCES

LEISURE

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

Finance, Land, etc.

OIL AND GAS

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—continued

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
		Australians					
28½	13½	♥ACM 20c	19	......	—	—	—
52	32	Allstate Expln NL	42	......	—	—	—
40	9	♥Australis Mng. NL	27	+1	—	—	—
25	11	Balmoral Resources	19	......	—	—	—
60	37	♥Black Hill Mins.	44	−1	—	—	—
85	51	♥Bond Corp.	78	−1	Q10c	♦	7.7
183	116	♥Bougainville 1 Kina	144	−2	uQ3.42c	1.2	1.5
372	204	♥CRA 50c	338	−2	tQ3c	—	0.5
145	60	♥Carr Boyd 20c	72	+2	—	—	—
—	—	♥Central Kalgoorlie	35	......	—	—	—
43	18	♥Central Pacific	30	−1	—	—	—
9	2¼	♥Cons Gold Mng Areas.	3½	−¼	—	—	—
17	5	♥Coopers Res N.L.	10½	+½	—	—	—
255	183	♥Crusader Oil	225	+5	—	—	—
18	*8	♥Cultus Pac NL	15	+1½	—	—	—
19	7	♥Eagle Corp 10c	15	......	—	—	—
215	96	♥Emperor Mines	182	+2	—	—	—
14	8	♥Endeavour 20c	10¾	+¼	—	—	—
58	17	♥Entenpse Gld Mines	28	......	—	—	—
810	500	♥GM Kalgoorlie 25c	600	−10	bQ10c	♦	1.0
24	6	Grt. Eastern Mines	17	−1	—	—	—
17	9½	♥Great Victoria Gold	11	......	—	—	—
32	15½	♥Haoma NW	23	......	—	—	—
92	30	♥Hill Minerals N.L.	40	+2	—	—	—
41	13	♥Intnl Mining	22	......	—	—	—
20	5	♥Ivanhoe Gld. N.L.	11½	+½	—	—	—
100	25	♥Jingellic Minerals	58	......	—	—	—
42	21	♥Kalbara Min 20c	21	......	—	—	—
20	9	♥Keywest Expl.	19	+½	—	—	—
134	54	♥Kitchener NL 25c	96	−2	—	—	—
180	78	♥Meekatharra 25c	92	−4	—	—	—
58	24	♥Metals Ex 50c	53	......	—	—	—
52	23	♥Metramar Mns 20c	33	......	—	—	—
279	217	♥MIM Hldgs 50c.	233	......	Q5c	♦	1.2
15	5	♥Mincorp 20c	15	+1½	—	—	—
8	3	♥Minefields Expl 25c	4	......	—	—	—
46	23	♥Newmetal 20c	36	......	—	—	—
*207	128	♥North B Hill 50c	193	−1	Q8c	♦	2.4
90	38	Nth. Kalgurli	66	−1½	—	—	—
86	58	♥Oakbridge 50c	72	......	Q7c	1.7	5.7
57	23	Otter Expln NL	43	−1½	—	—	—
78	46	♥Pacific Copper	77	+1	♦	—	—
150	64	♥Pancont'l 25c	88	+2	—	—	—
9½	4	Pan Pacific Pets NL	9	......	—	—	—
74	35	Paringa Mng & Expln 5p	66	+2	—	—	—
476	324	♥Peko-Wallsend 50c	418	−6	Q5c	♦	0.7
11	6	♥Pelsart Res NL	8	......	—	—	—
298	172	♥Renison 50c	252	−4	Q10c	♦	2.3
270	135	♥Do Defd	235	−10	—	—	—
83	20	Samantha Explor NL	59½	+½	—	—	—
52	32	Sanson Explnr NL	38	+2	—	—	—
74	52	♥Seltrust 50c	67	......	—	—	—
58	24	♥Sons of Gwalia N.L.	46	......	—	—	—
27	11	♥Sthn. Goldfields	19	+1	—	—	—
19	7	♥Southern Pacific	13	......	—	—	—
14	6	♥Southern Ventures 25c	9	......	♦	—	—
50	17	♥Swan Res 20c	22	+1	—	—	—
58	39	♥United Goldfields	42	......	—	—	—
24	5	♥West Coast 25c	12½	......	—	—	—
38	14	♥Western Cont. 50c	16	......	—	—	—
275	163	Westn. Mining 50c	240xd	......	Q2c	—	‡
200	53	♥Whim Creek 20c	166	+10	—	—	—
25½	8	♥York Resources	24	......	—	—	—
		Tins					
245	175	Ayer Hitam SM1	210	......	‡Q95c	1.8	‡
150	83	Geevor	125	−2	—	—	—
18	10½	Gold & Base 12½p	11	......	—	—	—
435	290	Gopeng Cons.	400	......	20.0	1.4	7.1
600	525	Hongkong	575	......	21.0	♦	5.2
21	13	Jantar 12½p	16	......	1.5	0.2	13.4
270	100	Kamunting SM0.50	225	......	tvQ27½c	0.8	3.5
96	56	Malaysia Mng. 10c	68	......	vQ7.1c	0.9	4.7
57	28	♥Pahang	45	−5	—	—	—
500	325	Pengkalen 10p	500	......	1.0	—	0.3
330	225	Petaling SM1	320	......	vQ60c	1.3	5.3
250	185	Sungei Besi SM1	215	......	tvQ185c	1.1	‡
55	40	♥Supreme Corp M$1	50	......	vtQ5½c	♦	2.2
120	93	Tanjong 15p	120	......	‡5.5	—	4.2
145	60	♥Tongkah H. Tin SM1	135	......	vQ5c	1.3	1.3
300	190	Tronoh SM1	260xd	......	vQ90c	1.1	9.8
		Miscellaneous					
170	55	Admiral Mines	60	......	—	—	—
90	34	♥Anglo-Dominion	65	......	—	—	—
93	54	♥Anglo Utd. Dev.	70	−2	—	—	—
172	40	♥Colby Res Corp.	150	......	—	—	—
530	315	Cons. Murch. 10c.	460	......	‡Q60c	1.9	‡
240	170	Hampton Areas 10p	222	......	3.75	2.1	2.3
215	103	♥Highwood Res.	195	......	—	—	—
£24½	£18	Homestake Mining $1	£20⅛	+⅜	Q20c	—	0.7
495	325	Northgate C$1	325	......	—	—	—
672	437	R.T.Z.	572	−3	117.0	2.9	4.3
£147½	£108	Do. 9¾% Cn Uns Ln. 95-2000	£128½	−1½	Q9½%	32.5	17.5
190	13	♥Sabina Inds C$1	75	−3	—	—	—
		For Southwest Res see Oil & Gas					
750	312	♥Tara Expln $1	700	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Principal and interest tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- § Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

			IRISH		
			Nat. 9¾% 84/89	£87¼	+¼
			Fin. 13% 97/02	£95½	+⅛
			Alliance Gas	38	......
Albany Inv. 20p	64	......	Arnott	205	......
Bdg'wtr. Est. 50p	295xd	......	Carroll (P.J.)	104	−2
Craig & Rose £1	£10½	......	Concrete Prods.	75	......
Finlay Pkg. 5p	37xd	......	Helton (Hldgs.)	17	......
Higsons Brew	88	......	Irish Ropes	57	+4
Holt (Jos) 25p	910	......	Jacob	81	......
I.O.M. Stm. £1	130	......	T.M.G.	85	......
Pearce (C. H.)	475	......	Unidare	74	......

For Graig see Shipping

OPTIONS

3-month Call Rates

Industrials		House of Fraser	20	Utd. Drapery	22
Allied-Lyons	13	I.C.I.	45	Vickers	12
BOC Grp	20	"Imps"	11	Woolworth Hld.	30
B.S.R.	20	I.C.L.	7		
Babcock	15	Ladbroke	22	**Property**	
Barclays Bank	45	Legal & Gen.	45	Brit. Land	8½
Beecham	52	Lex Service	32	Cap. Counties	14
Blue Circle	45	Lloyds Bank	48	Land Sec.	28
Boots	16	"Lots"	4	MEPC	20
Bowaters	22	London Brick	10	Peachey	16
Brit. Aerospace	19	Lucas Inds.	15	Samuel Props.	11
B.A.T.	14	"Mams"	14	Town & City	4
Brown (J.)	3½	Mrks. & Spncr	20		
Burton Ord.	35	Midland Bank	40	**Oils**	
Cadburys	11	N.E.I.	10	Brit. Petroleum	38
Courtaulds	10	Nat. West. Bank	55	Burmah Oil	17
Debenhams	14	P & O Dfd.	21	Charterhall	9
Distillers	20	Plessey	19	KCA	6
Dunlop	6	Racal Elect.	20	Premier	6
Eagle Star	45	R.H.M.	7	Shell	55
F.N.F.C.	5½	Rank Org. Ord.	20	Tricentrol	22
Gen. Accident	42	Reed Intnl.	32	Ultramar	65
Gen. Electric	18	Sears	8		
Glaxo	75	T.I.	13	**Mines**	
Grand Met	30	Tesco	17	Charter Cons.	28
G.U.S. 'A'	50	Thorn EMI	55	Cons. Gold	58
Guardian	45	Trusthouse	16	Lonrho	9
G.K.N.	16	Turner & Newall	7	Rio T. Zinc	62
Hawker Sidd	28	Unilever	70		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 24

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security

Saturday October 8 1983

Quebec Refinery upgrader project complete

MAN IN THE NEWS

From the grass roots

BY MARGARET VAN HATTEM

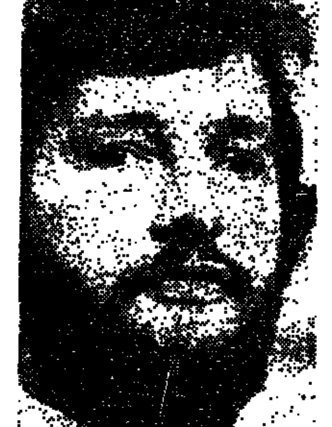
"DAVID RESTRAINED himself at his first NEC meeting," Labour's new leader told a fringe meeting in Brighton this week. "He waited a full three minutes before getting stuck in."

Mr Neil Kinnock is not the only one now predicting that the National Executive Committee is going to become much more interesting with the arrival of Mr David Blunkett.

He is the 36-year-old leader of the Sheffield City Council, he was one of the stars of this year's conference, and he is being tipped for a meteoric rise in the Labour Party. His arrival at Westminster is generally regarded as just a matter of time.

His election to the NEC on the first attempt confirms that he is something out of the ordinary. He did it without any organised backing from either the unions or any of the factions active in the constituencies. For someone who has never been an MP, this is probably unprecedented.

He is rapidly becoming the leading light of the Labour generation now firmly entrenched in local government whose abilities are badly needed at Westminster. Describing him-



David Blunkett

self as "neither of the hard left, nor the soft left, but of the firm left." he has a strong intellectual commitment to municipal socialism.

But he has already made it abundantly clear that he is his own man and will not dance to anyone else's tune—not Tony Benn's, Ken Livingstone's nor Neil Kinnock's. They all speak of him in glowing terms but he is less free with his compliments.

He drove the point home at his first NEC meeting where he immediately waded into a row over Mr Kinnock's plan to set up a permanent, streamlined campaign committee, as free as possible from the red tape of consultation and reporting back, in which other parts of the Labour machine so often get boged down. Accountability is one of Mr Blunkett's priorities.

So is local government. Leader of the Sheffield Council since 1980, he has won a reputation for pragmatic, effective implementation of socialist policy that has prompted many to ranke Sheffield with Bologna as a model of Left wing administration.

"David Blunkett does what Ken Livingstone talks about, and, he does it much more quietly," is the approving verdict of one Labour activist. He is also credited as a whizzkid on the subject of local government finance who more than held his own against the then Environment Secretary Mr Michael Heseltine.

Despite his strong following, Mr Blunkett is not universally adored. He somtimes displays a peremptory manner, not least with those closest to him. and can be very prickly. On the other hand he shows more generosity of spirit than some of his fellow left wingers, and a disarming dry wit, often at his own expense. Commenting at last year's Tribune rally on the squalid trade union horse trading, so embarrasingly exposed in the NEC elections, he pointed to the guide dog at his feet (he is blind) and told a delighted audience. "We've found our vocation—next year me and the dog are going to volunteer as scrutineers."

Nor does he shrink from Yorkshire plain speaking. "We've had a tendency to bore people to death," was his message to left wing activists this week. "We've got to set people alight." In Brighton this week he made a good start.

Kinnock firmly in control as quiet conference ends

BY MARGARET VAN HATTEM, POLITICAL CORRESPONDENT

THE LABOUR PARTY conference yesterday backed the miners in their campaign against pit closures, pledged its leaders to repeal the Police Bill, but refused to tighten the reins on its MPs or to extend its internal franchise to one man one vote.

So ended the party's quietest conference for years and for Mr Neil Kinnock, its new leader, the most satisfactory.

It gave him the authority he needs to discipline the party, a National Executive Committee he can dominate, and the deputy he wanted.

Yesterday's debate on proposals to enable constituency parties to keep a close check on their MPs' voting records at Westminster produced a noisy reaction from the floor as MPs and constituency delegates clashed.

Upholding the independence of the parliamentary party, Mr John Golding, MP for Newcastle-under-Lyme, was heckled as he argued that the introduction of a system of recorded votes on party matters would reduce MPs to the status of delegates and their role to rubber stamping conference decisions.

The debate on the introduction of the principle of one man one vote in leadership elections brought union delegates to their feet in support of the electoral college, where unions hold 40 per cent of the vote.

Mr John Jones of the white collar engineering union AUEW Tass was cheered as he defended the electoral college by reference to the leadership team it had just produced. Only the electricians' union maintained its opposition to the system, arguing that union block votes represented their buying power rather than the number of Labour supporters in their ranks.

Final day of Labour Party Conference — report and picture Page 4
Bow Group calls for report on Tory options Page 3

Unity re-emerged in the debate on the police, in which Ms Jo Richardson condemned the Conservatives' "mindless cries for blood" and accused Mr Leon Brittan, the Home Secretary, of cowardice in the face of next week's Tory Party Conference.

Conference also gave unanimous backing to Mr Arthur Scargill, the miners' leader, in his campaign against pit closures. The National Coal Board, he said, had deliberately undervalued its assets in order to deceive the miners and the public. It was guilty of the "greatest duplicity since Goebbels."

Delegates left Brighton yesterday proclaiming the conference the best for years. It was certainly the best stage-managed. The expelled Militants and their supporters were kept off the television screens, the skilful use of card votes relegated demonstrations of support for militant Irish republicanism to the fringes, and several other potentially embarrassing topics were neatly swept under the carpet.

Even the doyen of the far left in parliament, Mr Ian Mikardo, pronounced the conference a success. The party was feeling ashamed and contrite after its election defeat, he said yesterday, but was now united in its resolve to do better.

This week has seen less soul searching and less recrimination than might have been expected, and much exhortation to leave policy as it is and concentrate on organisation and rebuilding the party as a campaigning machine.

Whether the left-wing activists who have made so much of the running in policy-making in recent years will really spend less time in committees and more in canvassing over the next year remains to be seen. But the mood of this week's conference was best illustrated by the cheers which greeted one of the concluding delegates when she proclaimed: "I don't stand on the left. I don't stand on the right, I stand on the doorstep."

Holmes à Court stake in Fleet Holdings rises to 5.5%

BY JOHN MOORE, CITY CORRESPONDENT

MR ROBERT HOLMES à COURT, the Australian entrepreneur, yesterday disclosed that his business interests hold more than 5 per cent of the shares of Fleet Holdings, owner of the Daily and Sunday Express and Daily Star newspapers.

There has been heavy share buying in the London stock market by Mr Holmes à Court's business interests. In July, it emerged that he held 2 per cent of Fleet, but by mid-August the stake had risen to 3 per cent. On the last day of September, his interests bought further shares which took his stake to more than 5 per cent and further purchases last Wednesday raised this to 5.5 per cent.

On the London Stock Exchange, Fleet Holdings shares rose by 1p to 131p during yesterday's trading, valuing Mr Holmes à Court's stake at £6.1m.

Mr Holmes à Court was understood to be in Hong Kong yesterday, while the managing director of his London operations, Associated Communications Corporation, was not available for comment.

The share purchase was made through Associated Communications Corporation (Channel Islands) and the total holding of 4.64m shares is far larger than that of Lord Matthews, chairman of Fleet, who holds about 2m shares.

Mr Holmes à Court acquired Associated Communications Corporation, Lord Grade's former entertainments empire, by steadily building up a strategic stake in the company. Early last year he persuaded Lord Grade and the board to sell their crucial block of voting shares. In an earlier takeover campaign, he built up a strategic stake in Ansett, the Australian airline group but after the board closed ranks he sold out to Mr Rupert Murdoch, the Australian newspaper tycoon.

Mr Holmes à Court served on the board of Associated Communications with Lord Matthews. But Lord Matthews resigned with other directors when he failed to remove Mr Holmes à Court as chairman of the entertainments group during the course of the takeover battle.

Mr Holmes à Court is currently making an audacious bid for Broken Hill Proprietary, Australia's biggest company but has so far received acceptances from shareholders holding just 0.13 per cent of the equity.

Continued from Page 1

Jenkin plans

to emphasise that it was not true that the whole idea was sparked off by "some of the wilder excesses" of Mr Ken Livingstone, Labour leader of the GLC, and his colleagues. He refused to estimate the savings which would come from the abolition of the authorities but said he believed they would be "substantial." But he also conceded that some disruption and disturbance from the reorganisation was inevitable. Some redundancies among the 120,000 staff involved would also be unavoidable.

Mr John Gunnell, Labour leader of West Yorkshire council, said the plans would be expensive, disruptive, and a "bureaucratic nightmare," meaning bigger rate bills.

Speaking for all the metropolitan counties, he said Mr Jenkin had broken every Tory promise to ratepayers. "They promised simpler local government, less rates and lower costs. Now the truth is revealed. Mr Jenkin proposes complexity, confusion and chaos,' he said. Mr Livingstone of the GLC described the plans as a "pig's breakfast."

Mr Alan Greengross, leader of the Conservatives on the GLC, said he viewed "with horror" the proposed proliferation of joint boards and quangoes, all able to make independent rate demands on Londoners.

Mr Neville Goldrein, leader of Merseyside's Tories, said he preferred direct democratic input to the Government's plans and he hoped Labour authorities would be prepared to enter into a spirit of compromise which "might lead the Government to keep the metropolitan counties."

Dr David Owen, leader of the Social Democrats, said the plans showed a deeply centralist government "exhibiting its well-known animosity towards local government on the basis of ill-thought-out prejudice and ideology."

Mr Gerald Kaufman, Labour's Environment Department spokesman, said the proposals were "undemocratic and wasteful."

"Seven organisations elected by ratepayers will be replaced by unelected quangoes and in some cases by civil servants," he said.

Continued from Page 1

Dollar

some 6½ per cent below its value at the beginning of September when it was close to its recent peak. On the Bank of England's trade weighted index the dollar fell 0.6 to 125.1, its lowest for six months.

Sterling gained some ground yesterday after having drifted down with the dollar earlier this week. Its value yesterday against the Bank of England trade weighted basket of currencies rose 0.5 to 83.3 (1975=100), marginally lower than a week earlier and 2½ per cent lower than its value at the beginning of the month.

The fall in the dollar against the D-Mark has put sterling into a relationship with the two currencies which the authorities regard as comfortable. However, they would probably prefer a lower rate against the D-Mark than yesterday's London close of DM 3.87, while not wishing to see the sterling-dollar rate fall much below $1.50.

The strengthening of the D-Mark against the dollar earlier this week put some pressure on the French franc which fell from the top of its range in the European Monetary System to about the middle of the range.

Consumer boom benefits Debenhams

BY DAVID CHURCHILL CONSUMER AFFAIRS CORRESPONDENT

DEBENHAMS YESTERDAY became the latest major department store group to reap the benefits of the consumer boom earlier this year and announce sharply increased interim pre-tax profits.

At £5.2m for the 28 weeks to August 13 taxable profits were more than three times up on a year before. The figure for the first-half of 1982 was £1.5m.

The sharp rise was on a turnover increase of only 6.4 per cent, at £332.1m. The size of the sales increase reflects the closure of some stores over the past year.

The Debenhams result comes after Sears Holdings this week announced a record 71 per cent rise in its interim pre-tax profits. Last week House of Fraser group announced £4.6m interim pre-tax profits, compared with a £387,000 loss in the previous year.

The City, however, remained unimpressed by the Debenhams sharp profits increase. The shares closed 6p down at 138p.

Mr John Richards, a senior stores analyst with Capel-Cure Myers, stockbrokers, said the profits improvement compared with a very dull trading period at the corresponding time last year.

He said: "It would have been very surprising if we had not seen gains of this order. However, the test will come in the second-half results when the performance of a number of retailers will be matched against the higher consumer spending in the second half of last year."

The Debenhams trading performance did not pick up until this spring, said Mr Robert Thornton, the company's chairman. This followed some months when Debenhams was forced to mark down stocks heavily to clear them.

Sales of furniture, home furnishings and textiles, and electrical goods, however, all rose sharply between April and June. In the hot weather these sales declined but were compensated for by a rise in summer fashions.

Although Mr Thornton was confident the consumer sales boom would continued at least until Christmas there are signs that retail spending is slowing down.

Details Page 18

Miners set to accept pay offer

By John Lloyd, Industrial Editor

BRANCH MEETINGS of the country's 190,000 mineworkers will be held this weekend to discuss the National Coal Board's 5.2 per cent pay offer amid growing indications that it is likely to be accepted.

National Union of Mineworkers' officials believe the offer — described by the board as final — could be improved marginally in further negotiation. Few believe, however, that a majority of mineworkers would support a call to industrial action on pay alone.

However, the NUM leadership is attempting to concentrate members' minds on the issue of closures, in the belief that alarm over an accelerating rate of closure might prove a greater spur to militancy than the amount of the pay offer. A national delegate conference is to be held on October 21 to discuss the union's position on both closures and the offer.

The Miner, the NUM's national newspaper, has highlighted the issue of closures, claiming that 11,028 jobs have been taken out of the industry through the closure, partial closure or merger of some 25 pits or plants since last October.

The newspaper says that "throughout the country a notable change in board behaviour has been recorded over the past few months, and even in areas of traditional moderation a feeling that men can be pushed too far has developed.

"Against a background of increased job insecurity, it has served to raise the temperature dramatically."

The Scottish and Yorkshire areas miners' papers also highlight fears of redundancy through threatened closures of pits in their areas. The Yorkshire Miner pinpoints Cadeby Colliery, now under review, as a "test case." In a statement in the paper, the area officials warn: "If Cadeby is lost, it will not be because of a decision by the National Coal Board—but because the miners decided to let it go."

Coal board industrial relations officials, however, believe the miners' mood is relatively passive—although alarm over closures could spread. They believe that the 5.2 per cent offer was viewed by many miners with "relief"—because many had assumed it would be pitched much lower.

Details of the offer, and of the NUM claims, were sent out to branches yesterday but, as agreed, the executive made no recommendation. The Miner's article on the offer has the headline: "It is not enough." It says the take-home rise would on average be £3.30 a week — "the price of half a dozen pints." However, it does not call for a rejection of the offer.

Weather

UK TODAY

RAIN in the North West spreading to all parts later.

London, S. E. England, E. Anglia Dry with sunny periods, rain later. Max 16C (61F).

Midlands, S. W. England, Wales Rain spreading from west. Max 14C (57F).

N. W. England, N. Ireland Rain at times. Drier later. Max 11C (52F).

N. E. England, S. Scotland Dry at first, rain later. Max 13C (55F).

Rest of Scotland Showers. Max 9C (48F).

Outlook: Changeable.

WORLDWIDE

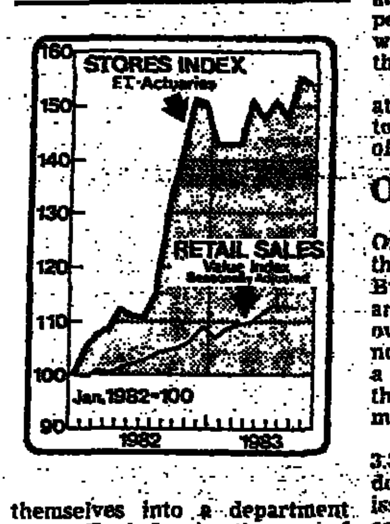
		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	24	75	Madeira	S	24	75
Algiers	S	29	84	Madrid	F	25	77
Amsdm.	C	16	61	Majorca	F	25	77
Athens	S	24	75	Malaga	S	24	75
Bahrain	S	30	86	Malta	F	25	77
Barclna.	C	24	75	M'chstr.	S	14	57
Beirut	S	26	79	Melbne.	S	14	57
Belfast	R	11	52	Mx. C.		—	—
Belgrd.	S	20	68	Miami†	S	24	75
Berlin	C	16	61	Milan	F	21	70
Biarritz	C	21	70	Montreal		—	—
Bmghm.	C	11	52	Moscow	R	9	48
Blackpl.	F	13	55	Munich	S	16	61
Bombay	C	27	81	Nairobi	C	25	77
Bordx.	F	21	70	Nwcstl.	S	12	54
Boulgn.	F	16	61	N Delhi	S	34	93
Bristol	R	15	59	N York†	S	14	57
Brussels	C	17	63	Nice	F	24	75
Budpst.	F	19	66	Nicosia	S	27	81
Cardiff	F	16	61	Oporto	S	19	66
Cape T.	S	26	79	Oslo	C	6	43
Chicg.†	C	9	48	Paris	C	17	63
Cologne	C	15	59	Peking	R	15	59
Conhgn.	R	13	55	Perth	F	17	63
Corfu	S	25	77	Prague	F	18	64
Dallas	H	16	61	Reykjvk.	S	5	41
Dublin	F	12	54	Rhodes	S	25	77
Dbrvnk.	S	23	73	Rio J'o		—	—
Ednbgh.	C	9	48	Rome	S	23	73
Faro	S	26	79	Salzbrg.	S	19	66
Frankft.	F	16	61	S F'cisc†	S	14	57
Geneva	F	19	66	Singapr.	R	26	79
Gibraltar	S	22	72	Santiago		—	—
Glasgow	F	10	50	Stckhm.	S	10	50
G'nsey	F	15	59	Strasbg.	F	19	66
Helsinki	R	6	43	Sydney	S	17	63
H. Kong	S	31	88	Tangier	S	32	90
Innsbrk.	S	18	64	Tel Aviv	S	30	86
Invrnss.	F	9	48	Tenerife	S	26	79
I.o.Man	S	13	55	Tokyo	F	24	75
Istanbul	S	21	70	T'ronto†	S	5	41
Jersey	C	16	61	Tunis	T	21	70
Jo'burg	R	13	55	Valencia	S	27	81
L. Plms.	S	25	77	Venice	F	20	68
Locarno	S	19	66	Vienna	S	18	64
London	C	15	59	Warsaw	F	13	55
L. Ang.†	C	20	68	Zurich	F	15	59
Luxmbg.	C	13	55				

C—Cloudy. F—Fair. H—Hail. R—Rain. S—Sunny. T—Thunder.
† Noon GMT temperatures.

THE LEX COLUMN

Equities on a plateau

Index fell 1.6 to 709.8



It is hard to blame London's stockbroking community for being preoccupied at present with its own prospects rather than those of the markets its serves. The sight of U.S. brokers running around the City waving blank cheques at research analysts whose stockbroking firms may be threatened by a commission war is, to say the least, diversionary. But there has equally been little in the markets themselves to concentrate the mind.

The excitement generated by quantum falls in interest rates and the startling recovery in consumer demand has now largely evaporated. Capital profits of the kind seen last year in the gilt-edged market and for most of this in equities are regarded as past history, even by the bulls. As a result, both markets have become increasingly defensive, emphasising income attractions rather than capital growth.

The most conspicuous fall from grace has been in the electrical sector, where both Racal and GEC were standing at their lowest level of the year last night. The news that Northern Telecom planned to invest heavily in the UK over the next five years was not exactly helpful but, even ignoring that, electricals have been the most disappointing sub-sector of the FT-A All-Share Index over the past month, falling by 6.8 per cent.

A question confronting the equity market now is whether the bias against the growth favourites of last year has now the cyclical capital goods stocks seems now to have run out of steam, except perhaps in chemicals, and the market is waiting for profit statements to justify the greater confidence which has built up around them and the economy.

For the moment, at least, the jury is out. The running has been made recently by sectores offering particular attractions. Not so long ago newspapers shares were shooting ahead on the hope that Reuters would be floated off. Now the prospects of a revival in food price inflation is pushing the food retailers. Elsewhere, the market has been moving sideways, encouraged by the evidence of rising dividend cover but unable to see much room for capital growth.

Debenhams

The retail spending boom appears to have survived the dog-days of August, when sun-struck consumers found it all too much of an effort to drag themselves into a department store. To judge by the run of news from the stores themselves, trade leapt up again in September with John Lewis reporting sales about a fifth higher than last year and Debenhams finding that for one September week its turnover was 40 per cent up on a year ago.

Since department stores earn the bulk of their profits in the last few weeks of the year, it is unwise to read much into their interim results. But House of Fraser, Sears and now Debenhams have all shown that—because of their high fixed costs—a 5 or 6 per cent increase in sales volume can flow through to a much more handsome increase in profits. In Debenhams' case, a growth of about 10 per cent in first-half sales helped produce a trebling of pre-tax profits, £5.17m in the six months to August 13.

Higher sales volume is not, however, the sole reason for this improved result. In accordance with its long tradition of accounting originality, Debenhams has found a way of pushing below the line what are in effect financing charges of £0.9m, reported in yesterday's accounts as an after-tax debit to "minority interests." Debenhams' explanation is that the payment is technically a dividend to outside preference shareholders in Debenhams (Curacao).

At the year-end Debenhams, apparently, will bring in profits from the Curacao company, relating to an office development in New York, though nothing is consolidated at this stage. Overall, Debenhams could well report pre-tax profits of £28m, of which £25m came from trading in the stores, including profits from Welbeck Finance. At yesterday's share price of 138p, down 6p, that represents a prospective p/e of about 10 on 25 per cent tax—perhaps asking rather a lot at what may be almost the top of the cycle.

It looks as if the boom will at least see out Christmas, towards which a fair amount of buying is already directed.

Oxford Instruments

The directors and staff of Oxford Instruments represent the crème de la crème of the British scientific establishment, and the fruit of their labours over the last 20 years or so is not to be cheaply plucked by a few passing investors now that it has come to the stock market.

Up for sale by tender are 3.3m shares from assorted vendors and 4.8m shares newly issued by the company, together equivalent to 18.3 per cent of the enlarged equity. The minimum tender price has been set at 230p, which represents a multiple of about 24 on forecast 1983-84 earnings on an actual tax basis—just about twice the corresponding multiple set on Amersham International's initial offering last year.

OI, with a related product, virtual monopoly on sales of the supermagnet which will be the basis of the next generation of medical scanners, now entering clinical usage. The multiple looks less than ridiculously demanding in this context: it might be compared, for example, with Diasonics, trading at 43 times this year's estimated earnings on the OTC market in New York. Diasonics is a major customer of OI and faces far more competition since it retails the finished scanner alongside perhaps a dozen other manufacturers.

O.I., with a related product, came perilously close last year to chasing a retailing role of its own, such as dished EMI in its ill-fated attempt to sell the first body scanner in competition against the giants of the electronics industry. A rather happier future seems assured for OI as a dominant component supplier.

Its smart retreat from a retailing role might be a pointer to the kind of dangers which will attend OI in this fast growing market. But it may also say something about the quality of the company's management. They are still set on broadening the profit base and many other gleaming new products promise to help cope with the inevitable decline of the supermagnets' monopoly. Successful tenders may need to aim above the minimum price.

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